هكذا من الاصل

Labour's New Establishment
New series starts on page 13

Football and booze don't mix
20 page sport section inside

THE INDEPENDENT

3,092 MONDAY 16 SEPTEMBER 1996 WEATHER Fine 40p (IR 45p)

Goldsmith's party 'too old and too few to fight'

CHRIS BLACKHURST
Westminster Correspondent

Sir James Goldsmith's Referendum Party is in crisis because its supporters are too old and are too thin on the ground for it to mount an effective challenge to the main parties at the general election.

Days after the party trumpeted its first, 46-strong list of candidates; documents leaked to *The Independent* show is it far from being ready.

Marc Gordon, the party's "*field organiser*", *last month wrote to senior staff, setting out* his concerns. In a memorandum marked "Strictly Private & Confidential", he complains: "Our supporters tend to be overly old (and very old in many cases)."

In a phrase that will be music to the ears of the Conservatives, Mr Gordon concludes: "The truth is we do not currently have the organisational capacity to cope with the task in hand and the limited time given."

Visits to sample constituencies, Mr Gordon writes, disclosed that the party is "comparatively weak in key battlegrounds such as the East and West Midlands, Scotland and Wales". He adds: "For example in Margaret Beckett's seat of Derby South we have three supporters or helpers; seven only in Edwina Currie's (Derbyshire South) and six in Clare Short's (Birmingham Ladywood)."

Support for the party, which holds its first conference in Brighton on 19 October, is patchy. "Both helpers and supporters tend to be in market towns, villages, Tory suburbs or rural areas," Mr Gordon says. "We are weaker in traditional Labour and non-London urban areas."

Other problems he identifies are slowness in selecting candidates and in preparing campaign material. All candidates have to be passed by Sir James.

At 2 September, Mr Gordon writes, 85 had been "recommended" but only 74 had met with his approval. The party is also struggling to create a proper structure. "Some RCMs [Regional Campaign Managers] remain bogged down in interviewing and will find it impossible to quickly transfer their efforts to building constituency organisations, something which should be their priority," he writes. However, he says: "The level of commitment of supporters and helpers is very high."

One difficulty has been worries about infiltration. An investigation agency is checking on all potential candidates and *last week the party's West Midlands campaign manager*, Andy Carmichael, was dismissed after it was found that he had recently been a National Front Parliamentary by-election candidate.

The National Democratic Party – the successor to the National Front – sees Sir James's party as a threat to its far-right constituency. It claimed yesterday to have three activists on the *Referendum Party short-list*.

Sir James has devised an "archery board" formula for the targeting of seats. The centre, or "gold", are constituencies where the incumbent MP is a major figure. They include John Major's seat, Huntingdon, and Michael Heseltine's, Henley.

Next are the "red" seats, Tory-held with majorities of between 5,000 and 10,000 and where the MP is pro-European. *Most effort will be made in them. After red come the* "white" seats, with Tory majorities of up to 20,000. The candidates there will not be as high quality. Then comes "blue" – generally, huge Tory majorities with low-profile sitting MPs – and finally, "black", with solid Labour majorities.

There was only one seat, *said the party source*, which officials acknowledged they had a chance of winning and that was Putney, where Sir James is challenging David Mellor.

Family album: Tony Blair and his older brother, Bill, pose for the camera. Even as an infant Tony would seek the spotlight, his father, Leo, recalls

Who danced till his nappy dropped?

Tony Blair has been a show-off since he was in nappies, according to his father.

In the new edition of *Tony Blair*, John Rentoul's biography of the Labour leader, Leo Blair recalls that his son's first public performance was "a display of ballroom dancing accompanied by the band" on a ship to Australia in 1954, when he was 18 months old.

The future Labour leader, dressed only in a nappy, entertained the passengers on the maiden voyage of the liner *Iberia* as the family sailed to start a new life in Adelaide. "The dance ended only when his nappy dropped to his ankles," says Leo.

The boy Blair *continued to enjoy the public stage*. At the age of four, at his pre-prep school in Adelaide, he "brought the house down" with a performance of dancing and singing as Mr Nobody. "It was somewhat difficult for his mother to get him off the stage," according to Leo.

The Blair family lived in Adelaide, where Leo was a law lecturer at the university, for three years. But Leo never intended to settle permanently in Australia. "I enjoyed the academic life in Australia and we met some great companions, but I always had the ambition to be a British MP. Furthermore, my ambition was boundless - I wanted to be prime minister," he says.

His ambition was thwarted by a stroke in 1964 which deprived him of the power of speech for three years. Hence his intense pride in his son, poised on the brink of fulfilling his aim - albeit for a different party.

Leo had been a communist in his youth in Glasgow. Then, "Like a number of servicemen, I voted Labour in 1945," he says. But, by the time he left the army two years later, he had been an officer for a few years. He attributes his conversion to the Conservative Party simply to "the great change from living in a tenement in Govan to life in the officers' mess".

Fifty years later Leo recanted, when he joined his local Labour Party in Shrewsbury, Shropshire, last year.

His recollections of Tony's childhood shed some light on the making of the Labour leader. Tony Blair once said: "I never felt myself very anchored in a particular setting or class." From the relatively classless Australia - the model for the "young country" of last year's Labour conference speech - the family moved to Durham. Leo says he chose Durham for no other reason than that he had seen a post as a law lecturer there advertised while he was in Australia.

The family lived a comfortable middle-class existence, and Leo could afford to send Tony and his older brother, Bill, to Fettes College, a private school in Edinburgh. He says that he chose the school for his children for three reasons: "I had read in the Scottish *Field* that Fettes was the 'Eton of Scotland': the local county judge went there, as did his son; I have always found that the Scots valued a good education and its benefits more than the ordinary Englishman."

At Fettes, Tony Blair moved on from "Mr Nobody", and showed himself to be an outstanding actor. Among other roles, he played Mark Antony in *Julius Caesar*, hence getting the chance to do the "Friends, Romans and countrymen ..." speech. At Oxford University, he continued to hold the stage, this time as lead singer in a rock band.

□ The revised paperback edition of *Tony Blair*, by John Rentoul, will be published by Warner Bros at the end of the month.

The end of socialism?
Reports, page 2

Privatising war, by 'The Executives'

A South African Executive Outcomes instructor (standing) trains government recruits in Angola

MICHAEL ASHWORTH

A security company with links to Britain and the former apartheid regime in South Africa is emerging as one of the most powerful economic and military forces in sub-Saharan Africa. Executive Outcomes is at the leading edge of a post Cold War trend – the privatisation of war.

It is a limited company registered in Britain and South Africa, with operations across the African continent. It is known to operate in Angola, Sierra Leone and Uganda. There are also indications that it is seeking clients in Latin America and Asia.

Detractors see it as a private army securing concessions for private capital. The Director-General of the South African Foreign Affairs Department, Rusty Evans calls it a "dangerous criminal and destructive force in Africa". Others see it as the only solution to peace in areas of anarchy and bloodshed. Father Andrew Mondeh, a Catholic priest in Koidu, Sierra Leone says: "The South Africans have saved Kiodu ...Now we can live again." Whether it is a peacemaker or a corporate Cecil Rhodes, it has turned Africa's instability to profit.

It recruits from some of the most combat-experienced soldiers in the world, former members of the apartheid regime's notorious 32 Battalion and Koevet and former British officers. Its security services range from mechanised infantry and armour to naval and air-force training. A brochure says it can provide "the most professional training packages currently available to armed forces, covering aspects related to land, air and sea warfare".

The company has used a senior ex-Foreign Office official to broker deals and has ties to influential personalities in Britain. It is known to have fielded more than 500 soldiers and could probably field double that number with ease. It has a polished executive front with smart offices in London and Pretoria.

It has proved it can deliver. In Sierra Leone the Revolutionary United Front (RUF) had reduced much of the country to anarchy when a company of "Executive Outcomes" arrived. A month later 500 rebels lay dead and the remaining force had been scattered into the bush. In Angola it was instrumental in the success of the government forces over the rebel Unita in 1994.

It sees itself as apolitical. A recent letter from the managing director of Executive Outcomes said: "Private military aid in certain meritorious situations might be the only hope for some states already ravaged by the vested interests of politicians." A recent South African intelligence assessment concluded that the Organisation for African Unity (OAU) may be forced to offer it a contract for peace-keeping continent-wide.

The company is the advance guard of a corporate network that includes mining, oil, and construction companies. A South African source said an Executive Outcomes contract last year was worth at least $43m (£29m).

Nick van der Berg, a representative of Executive Outcomes, said: "We receive phone calls every day from potential clients, and not just in Africa."

The new enforcers, Section Two

QUICKLY

Lawyers' pay soars
Many corporate lawyers are earning more than £400,000 a year as privatisation work, and an upsurge in mergers, has sent their pay to their highest levels since the 1980s. Page 4

Student cash switch
Ministers are preparing to remove control of the student grants system from local authorities. Page 5

Bosses stressed-out
Britain's bosses are a downsized, de-layered and demoralised lot struggling to cope with record levels of stress, according to a survey. Page 3

Claim over bishop
The Bishop of Argyll and the Isles, who vanished a week ago, is being linked to a divorced mother-of-three. Page 3

Police back 24-hour drinking

JASON BENNETTO

Police chiefs are urging the Home Secretary, Michael Howard, to scrap the licensing laws and allow 24-hour drinking in bars, clubs and pubs.

The 43 chief constables in England and Wales say controls on drinking are outdated and an anachronism. In a policy document sent to Mr Howard, they have asked for "root and branch" reforms.

Meanwhile weekend licensing hours are almost certain to be relaxed after the move received the backing of the police. It is understood that the Government is set to announce in the next couple of months that pubs can remain open an extra hour, until midnight on Fridays and Saturdays.

The chief constables' call to liberalise the laws was made in a policy statement by the Association of Chief Police Officers (Acpo) to Mr Howard. They are expected to be strongly opposed by anti-drinking groups such as the Methodist Church.

Allan Charlesworth, Deputy Chief Constable of West Yorkshire Police, who was in charge of drawing up the Acpo paper, said: "The current laws are outdated and outmoded. They are an anachronism. The police service supports total deregulation of licensing laws.

"You could have 24-hour cities similar to the continent with all-night cafes and clubs that have proper door supervisors and a local authority that takes account of community safety. You could have all-night bars and pubs if it was suitable for the environment."

The police propose working with a system of "conditional licences" in which bars and clubs would be allowed to stay open for different periods according to their circumstances. Customers at a country pub could carry on drinking until 3am, but a city drinking den where drunkenness was common would have to shut at 11pm. "At the moment because there is only one standard closing time, people will rush down pints shortly before closing time and you end up with flashpoints as the pubs empty shortly after 11pm," Mr Charlesworth said.

"If closing times were spread out it would reduce public disorder. We think different rules should apply to different styles of premises and environments, otherwise you go on adding on an hour here and lopping off half an hour there."

It is understood that the vast bulk of responses to the plans have been extremely positive.

Metropolitan forces expressed some concern that later closing times could cause problems. However the police chiefs see both options as "tinkering with the edges", said Mr Charlesworth.

If as expected there is little political opposition, the changes could go through the Commons by a fast-track method, a Home Office source said.

CONTENTS

Section 1
BUSINESS & CITY 15-17
COMMENT 11-13
FOREIGN NEWS 8-10
GAZETTE 14
HOME NEWS 2-7
LEADING ARTICLES 11
LETTERS 11
SHARES 15
SCIENCE 18

Section 2
ARTS 22,23
DO WE NEED? 8,21
FAMILY LIFE 6,7
LISTINGS 24,25
NETWORK 9-20
TV & RADIO 27,28
WEATHER 25

38
9 770951 946412

The Open University

Qualify to teach in Secondary Schools through Part-time study

Are you considering teaching as a career? Do you have a degree or are you about to get one? Then here is an established and successful programme from the Open University which can lead to full recognition as a qualified teacher. Remember, graduates in scientific, mathematical and technological disciplines are in particular demand in the teaching profession.

The Open University Postgraduate Certificate in Education has the following features:

- courses for Secondary teaching in Mathematics, Science, Technology, English, History, Music and Modern Languages;
- part-time home-based study over eighteen months from February 1997 to July 1998, combined with three, four and six-week blocks of full-time experience in schools;
- courses include study guides, resource materials, video/audio cassettes and the use of information technology;
- support from an OU tutor and group study sessions;
- grants to cover the full course fees and a small maintenance grant for almost all students.

Please return the coupon below for a copy of the PGCE prospectus. The closing date for applications is 31 October.

Complete and send this coupon to:
The Open University, PO Box 625, Milton Keynes MK1 1TY.
☐ Please send me your *Postgraduate Certificate in Education* prospectus. C962Y
Name.....
Address.....
.....
..... Postcode .....
To save time call the Hotline 01908 365302

UNIVERSITY EDUCATION & TRAINING OPEN TO ALL ADULTS

Labour squabbles: Leader seeks end to disarray as he prepares keynote speech to business

Blair orders MPs to be silent

COLIN BROWN
Chief Political Correspondent

Traditional finish: The TUC conference ending last Friday with the annual rendering of 'Auld Lang Syne' Photograph: PA/Dave Kendall

Tony Blair will today tell voters that they would better off under a Labour government, with a warning to his party to end the appearance of disarray over links with the trade unions.

The Labour leadership last night ordered silence from its MPs and frontbench spokesmen to focus attention on the "millennium challenges" which Mr Blair intends to lay out in a keynote speech to businessmen in the City of London.

He will announce that he has asked his Shadow Cabinet to reinforce that message with a series of "heavyweight speeches". Senior colleagues are lined up this week to set out more of Labour's agenda, including Jack Straw on law and order, Robin Cook on Europe, and Gordon Brown, the shadow Chancellor, on the economy.

Mr Blair is alarmed that the tactic of using last week's Trades Union Congress conference to assure the voters that Labour was not in hock to the unions had got out of hand. He feared that the row over alleged remarks by Stephen Byers, an employment spokesman, that Labour would break the links with the unions would spill over into the party's conference in two weeks' time.

That row was fuelled yesterday by another Blairite, Kim Howells, who called for the epithet "socialist" to be "humanely phased out". Tony Banks, a leftwing Labour MP, complained on GMTV "you are left wondering whether this is all part of a softening-up process". Tony Benn said the leadership should go on the record about its intentions to open a proper debate in the party.

Before more anger was stoked up, Labour leadership sources last night said that Mr Blair wanted a "period of silence" from its MPs and spokesmen. Mr Blair told colleagues he regarded the row over the comments by Mr Byers and Mr Howells as "a fuss about nothing" and a distraction from the need to set out a positive agenda.

"Tony's concern is not that what frontbenchers have done is particularly heinous. His concern is that unless there is an element of common sense and a time of silence over the coming weeks, the message won't get through," one source said.

The Chancellor, Kenneth Clarke, will today unveil a Tory poster depicting the "satanic eyes" with a warning that families were £700 better off this year and Labour would put that at risk. But Mr Blair will say: "Our objective is to make most British people better off." He will couple that message with a reassurance to City financiers that New Labour is more friendly to business by pledging to remove legal and tax obstacles to long-term investment.

Improving living standards, high employment and greater security will only be achieved by the economy substantially raising its productivity. The demands by the Confederation of British Industry for a two-tier system for capital gains tax is also being considered, Mr Blair will say.

Harriet Harman, the spokeswoman on social security, is also planning to tackle demands by former Cabinet minister Baroness Castle for immediate increases in the state pension and the restoration of the earnings link. Lady Castle is threatening to inflict an embarrassing defeat on the Labour leadership at the party conference, but Ms Harman will campaign across the country, warning that Lady Castle's plans would cost the equivalent of 2.5p on the standard rate of income tax, and would not direct help to the poorest pensioners.

Ms Harman estimates that it would cost £3bn in the first year to raise state pensions by £5 and £8 for couples with a further £2.5bn for a link with earnings. The unions could prove crucial in rescuing the leadership from defeat but Ms Harman said: "We are not asking them to do us a favour. We are asking them to listen to the arguments."

More and less: grappling with a doctrine that was meant to be a panacea but was often considerably less

CLARE GARNER

The word "socialism" should be "humanely phased out" by Tony Blair, according to the Labour frontbencher Kim Howells. What does it mean?

Socialism is defined by Brewer's Politics as: "Common provision for those with less by those with more, with common ownership of the economy (or elements of it) and an ultimate goal of equality."

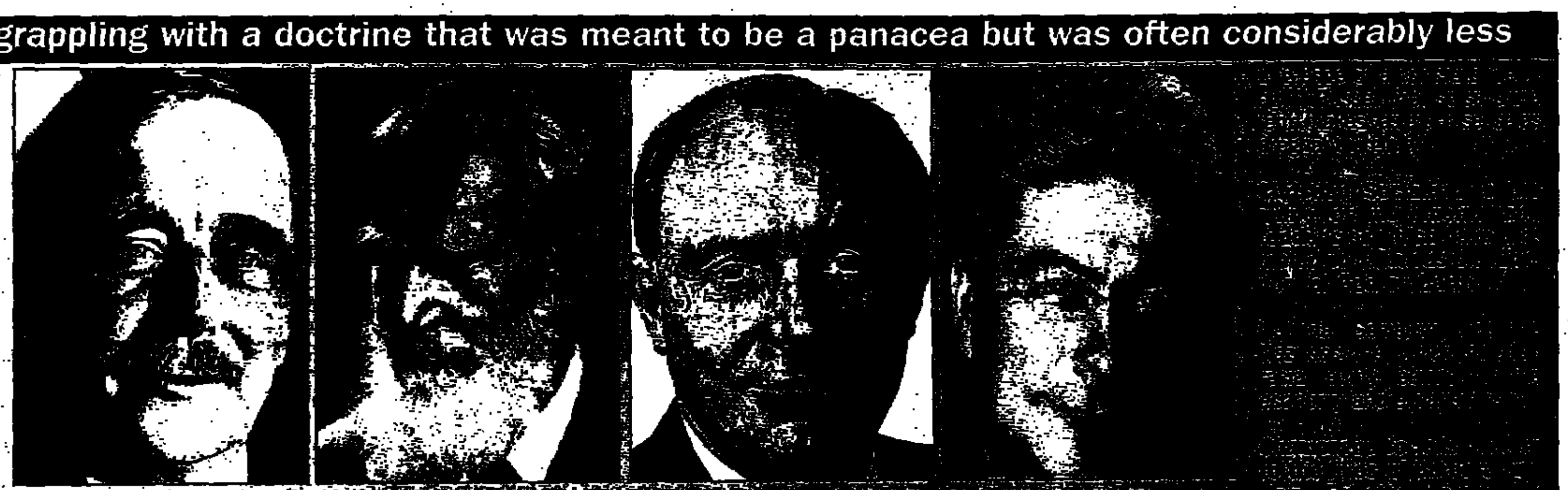
The *Encyclopedia Britannica* says the word was first used about 1830 to describe doctrines developed by Fourier and Owen, who proposed that a society living together should share all the wealth produced.

Socialism was first advocated in a coherent form by Louis Blanc at much the same time as Marx and Engels were developing Communism. In The Organisation of Work Blanc defined socialism: "From each according to his abilities; to each according to his needs."

"Equality of income or nothing." George Bernard Shaw.

"No more and no less than a criticism [illegible] property [illegible] life [illegible]" HG Wells.

"A dusty survival of a plan to meet the problems of 50 years ago, based on a misunderstanding of what someone said 100 years ago." JM [illegible] George Orwell [illegible]



Champions all: HG Wells (left), GB Shaw [illegible]

Taxpayer may foot party election bills

COLIN BROWN

The Nolan committee on standards in public will be asked by Tony Blair, if Labour forms the next government, to report on state funding for political parties by the time of the next election.

Britain is the odd man out internationally in refusing to fund political campaigns through state aid. State funding for political campaigns is provided by the taxpayers to parties in the United States, Canada, France, Italy, Spain, Sweden, Germany and Australia.

Half the election expenses are reimbursed by the taxpayer in Canada. In Britain, if the parties received half of the sums spent in the 1992 general election campaign, the taxpayer would have to pay £7m to the Conservatives, £7m to the Labour Party and £2m to the Liberal Democrats.

State funding would require parties to be defined in law for the first time, but that has been done in Canada and Australia and in the rest of the European Union.

Charter 88, the constitutional pressure group, said parties would have to be internally democratic and accountable to the same degree as other voluntary organisations that receive public money. "This might involve considerable change in the Conservative Party," it said.

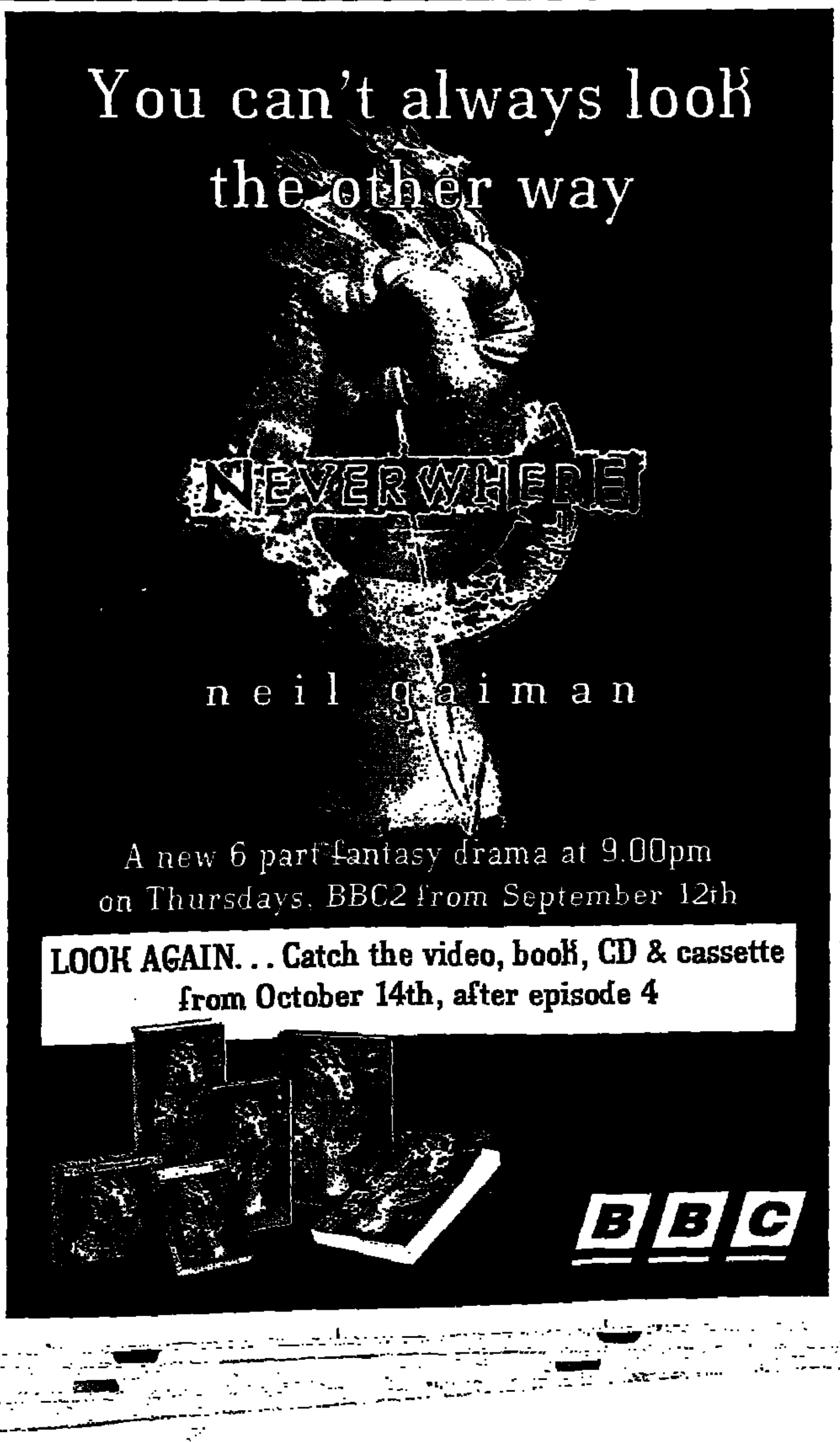
State funding would present opportunities for fraud – there have been many scandals in Italy and Germany over tax privileges for donors to political parties but Charter 88 said that this was "not an argument against state funding".

Questions would be raised over which parties qualified for state funding – whether the taxpayer, for example, should fund the British National Party, or Sir James Goldsmith's Referendum Party – and about the extent to which parties should continue to receive private donations. Some countries have a limit to the sums the parties can spend, but there are loopholes allowing presidential candidates in the US to spend a fortune on electioneering.

The Labour leadership says it supports the disclosure of large donations, and in the long-term state funding, to clean up the "sleaze" in British politics. But state funding would also end Tory claims that Labour is in hock to the unions. It would allow Tony Blair to declare Labour's financial independence from the unions, while maintaining some links with them. However, the Tory Party is against calling on the taxpayer to foot the bill for election campaigns.

The Tories went more than £17m into the red after the 1992 campaign. Corporate donations fell, but the party has slashed its overdraft by donations from businessmen, whose identities are being kept secret.

How the Tories have managed to get back into the black so quickly is one of the mysteries of the 1997 campaign.



SIGNIFICANT SHORTS

Rail workers have called off strike action planned for next week in North Wales and parts of the north of England after reaching agreement with two regional railway companies, the RMT union said yesterday. Settlements were negotiated on Friday with North West Regional Railways and Regional Railways North East, a union spokesman said.

The companies' offers of reductions in the working week plus guaranteed half-hour meal breaks for each shift were approved by the union's executive. The companies have also committed themselves to setting up working parties later this month to discuss further issues surrounding pay and productivity.

While the RMT has called off what would have been the fourth 24-hour stoppage since August, it is still in dispute with 13 of the 24 regional railway companies over a number of similar issues involving pay and productivity.

Irish taxpayers are being defrauded of up to IR£500m a year by fraudulent dole claims, it has emerged. A nationwide anti-fraud drive is now being organised after regional investigations indicated extensive fiddling. In Galway claims fell by 14 per cent after notice was given that payments would have to be collected from a garda station.

Baffled as to why the number of claimants, at almost 290,000, was 80,000 higher than the annual labour force survey total of those seeking work, the Irish government ordered an inquiry. The Social Welfare minister, Proinsias de Rossa, complained people were "systematically screwing the system" and that some large employers were forcing workers to stay on the dole while working to subsidise wages. He singled out building, catering, forestry, cleaning, and fishing as industries with extensive dole fiddles among the full-time workforce. Official surveys showed 30 per cent of claimants were either working full-time or not living at the addresses given. *Alan Murdoch*

Television advertising for the Church of Scientology, which was until this April banned by the Independent Television Commission, will be screened for the first time this week. The 60-second advertisement will go on air on Wednesday night on the UK Gold and UK Living channels.

The advertisement, which has been approved by the Broadcasting Clearance Centre, features people from different cultures saying "Trust" and concludes: "On the day we can fully trust each other there will be peace on Earth." But the move was criticised by the Cult Information Centre and other monitoring groups.

The Church of Scientology was founded in 1954 by the American science fiction writer L Ron Hubbard, who claimed to have discovered Dianetics, which he called the science of mental health. But the church has been accused of using high powered sales techniques to attract followers and imposing mental pressure, claims which it has always denied. Religious groups are banned from advertising on air if their meetings are not open to the public. The ITC accepted that this was not the case with the Scientologists.

Student leaders have warned undergraduates of unscrupulous landlords who might offer them cheap accommodation in which faulty appliances could damage their health, or even take their lives. The National Union of Students warned in particular of carbon monoxide poisoning from defective gas appliances, which has killed a number of students recently. Students moving into new "digs" should ensure that landlords produce a certificate proving that all gas appliances had been tested, it said.

In December, a 19-year-old Durham University student, Anne Brennan, died when she was poisoned by carbon monoxide from a faulty gas water heater in private lodgings. A month later, two other students died in similar circumstances in Walsall – bringing the total to nine deaths in four years.

A 32-year-old solicitor who paraglided into the roof of a house in Derbyshire was in a "stable" condition in the Royal Hallamshire Hospital, Sheffield, yesterday. Neighbours watched as Ian Rodger, 32, from Sheffield, flew into the attic of Mrs Judith Newboult's home in Hathersage, Derbyshire, on Saturday.

"The noise was terrible. You would have thought a plane had hit the house not just a person," said Liz Wain, who saw the pilot crash. "He seemed to be tangled up in his parachute strings. He was flying, but only just, and he was just above a tree. The next thing he went whoosh, straight into the roof of the house opposite. He went in backwards. All you could see were his two feet sticking out of the roof."

Mr Rodger is a member of the Derbyshire Soaring Club and the British Hang Gliding and Paragliding Association. Tom Beardsley, national safety officer for the BHGPA, said accidents were comparatively rare in hang gliding and paragliding. The association's 8,500 members took part in about 500,000 flights a year. On average about 150 incidents were reported every year. About 100 of those involved injuries, he said. So far this year there had been no fatalities, Mr Beardsley added.

Bridlington could become the first seaside resort in Britain to run its beach-side streetlights by wind power. The council at the Humberside town is considering installing seven wind turbines on the seafront at its southern end, where a £3.5m refurbishment scheme is under way.

The scheme's designers believe the mini-turbines will be a unique attraction as well as providing power to run the lighting on the new promenade. Officials at East Riding Council are testing local opinion by staging a three-day demonstration with one wind turbine on Belvedere Promenade, in Bridlington.

An earlier scheme, for a giant wind-turbine on the cliff top near Belvedere car park, in the town, was rejected because residents said it would be an eyesore.

THE INDEPENDENT ABROAD

Austria	Sch40	N'lands	Fl5.00
Belgium	BFr80	Italy	L4,500
Canaries	Pts300	Madeira	Esc325
Cyprus	C£1.20	Malta	43 cents
Denmark	Dkr18	Norway	Nkr20
Irish Rep	45p	Portugal	Esc325
France	Fr14	Spain	Pts300
Germany	DM4.5	Sweden	Skr21
Greece	Dr450	Switzerland	Sfr4.00
Luxembourg	LF60	USA	$3.00

OVERSEAS SUBSCRIPTIONS
Air mail, 13 weeks: Europe £110.76; Zone 1 (Middle East, America, Africa and India) £184.08; Zone 2 (Far East and Australasia) £206.70. To order, please send cheque payable to Johnsons International Media Services Ltd to 43 Millharbour, London E14 9TR or telephone 0171-538 8288. Credit cards welcome.

BACK ISSUES
Back issues of the Independent are available from: Historic Newspapers, telephone 01988 840370.

Republicans scorn talk of IRA ceasefire

DAVID McKITTRICK
Ireland Correspondent

Republican sources in Belfast and Dublin yesterday moved quickly to produce categorical denials of Sunday newspaper reports that the IRA might be moving towards another cessation of violence.

Republicans mocked the reports, some of which had suggested that the IRA could perform a U-turn on the question of arms decommissioning, handing in some weapons in an attempt to gain admittance to multi-party political talks.

They also denied suggestions that the IRA would call an "army convention" - one of the rarely-held gatherings which has the authority to make decisions on major issues. One Sunday report suggested that a convention could be the prelude to a permanent cessation, while another said the initiative had come from hardliners who wanted to step up violence.

Sinn Fein's president, Gerry Adams, speaking in Dublin, described the reports as rubbish. He added: "The first I heard of it, and I presume I would have heard something, was when I heard it through the media. You have to ask why British military intelligence are putting out these speculative reports. It is to cause confusion in republican ranks, and it is entirely unhelpful at this time."

Last week the Irish Taoiseach, John Bruton, referred during a visit to the United States to the possibility of a new ceasefire. When pressed, however, Irish government sources said this had been a hope rather than an expectation.

The newspaper reports were received with surprise in many quarters, since the general assumption is that the IRA and Sinn Fein, in common with many Northern Ireland politicians, are casting their eyes forward beyond the next British general election. The risk of further IRA bombings in England is thought to remain high, since this has been a traditional republican practice aimed at ensuring that the Irish question remains high on the British political agenda.

The widespread feeling is that another ceasefire at this point would remove much of the republicans' leverage and would therefore weaken their position in advance of negotiations with the next British government. The sense of uncertainty is increased by the fact that other elections are looming, including a possible general election in Dublin, Northern Ireland council elections next May, and the presidential contest in the US.

هكذا من الأصل

هكذا من الاصل

Not-so-happy families in the glare of the flashgun

By Jojo Moyes

Norma Major's call yesterday for strengthened privacy laws, following the paparazzi intrusion into her family holiday, is likely to find warm support among other hassled and harried celebrities.

But the daughter of one Cabinet minister admitted yesterday that the relationship between famous people and the press is not that simple. According to Annabel Heseltine, long lenses are actually the least of the problems for children of star politicians.

In an interview with Sir David Frost yesterday, Mrs Major's anger appeared to reflect concern that the personal lives of her own two children have been exposed to a fierce public glare since her husband became Prime Minister. As well as the coverage of their son James's relationship with divorcee Elaine Jordache, this summer the Majors were pursued by paparazzi while taking a holiday on a yacht.

"I rather resent [the loss of privacy] when it encroaches on the family because I think we should be entitled to a family life without the prying eye," Mrs Major said. "If you're doing something which is obviously private, and I think holiday is obviously private ... I think anybody [is] entitled to an element of privacy," she said.

It is, on the face of it, a fair argument. But as with the Royal Family, the relationship between press and politicians is increasingly complicated. In fact, there appears to be a growing trend among politicians to involve their children in their own publicity.

It began in the 1960s when the Kennedys fuelled the Camelot myth with pictures of little John Jnr and Caroline. By 1977, newspapers were reporting that Jimmy Carter's daughter Amy had been 12 minutes late for school; even the Clintons, who made a point of "shielding" the gawky Chelsea are now brandishing her as their latest weapon on the campaign trail.

Over here we have seen John Gummer publicly feeding hamburger to his four-year-old daughter to demonstrate his faith in beef, John Patten, as the Secretary of State for Education, walking his daughter to school, and Chris Patten, in Hong Kong, allowing "Lauramania" following pictures of his teenage daughter's legs.

And then, of course, there was the time David Mellor brought his two young boys out for a "happy family" snap.

Annabel Heseltine, who has been the subject of extensive press coverage, argued yesterday that politicians' children will inevitably be held up against their parents' public utterances. "The only time I've ever been pictured with my father [for political purposes] was when he was campaigning on the premiership elections in 1990. I was 27 and didn't mind at all – we wanted to give him every support possible," she said yesterday.

"The problem is that politicians are constantly making statements and then the children get held up as a result. Like Nicholas Scott's daughter [who received press coverage after criticising her father for his role in scuppering the Civil Rights Bill]. She was trying to do something she was doing before he became minister for the disabled," she said.

She said she had never experienced "the long-lens stuff" but admitted that there had been a period in her life where the press coverage had become uncomfortable – particularly when she started to have boyfriends. But it was not the long lenses that affected her; the "really upsetting thing" was the acquaintances who would phone newspapers with stories about her.

"I was 16 and at school the first time I was in a newspaper. Someone must have called them up and the next thing there was this ridiculous comment in a Dempster column saying I was 'floating among the daffodils'. I was rather embarrassed," she said.

Smile please: (Clockwise from left) The Heseltines pose for photographers; David Mellor *en famille*; paparazzi balance on anything at hand to snap Princess Diana at the Harbour Club; James Major with girlfriend Elaine Jordache; and, the Majors on a 'private' holiday on the French Riviera

"From that point onward, until I was about 24, wherever I went they did single me out but it rather depended on what my father was doing. It was a very difficult time and very difficult to cope. But that was nothing to do with my father and everything to do with the journalists," she said.

Later, she actively avoided places where she knew there would be "gossip" coverage. "But you still get caught. I went to a private party once, it was fancy dress and I went as a belly dancer. *But* Richard Young [an infamous parazzo] was there and the next day my picture was in two newspapers. My parents saw it and asked me what I was doing, dressed like that."

A journalist herself, she does not believe that there are realistic curbs that can be introduced. And just as Norma Major yesterday said she had learned to "inoculate" herself against hurtful articles, Ms Heseltine believes the children are "trained" to cope.

"Politicians' children do learn very quickly. You know as soon as a journalist comes on the phone and very rapidly gauge whether to put the phone down. You learn that people aren't always as friendly as they seem."

The peculiar problem in being the child of a politician rather than a celebrity is that celebrities tend to be more popular. At school, James Major was apparently found scrapping following jibes about his father.

Ms Heseltine believed there were advantages to the coverage, even if it was intrusive. "It makes you stronger and slightly tougher. I think you learn to think before you speak. And you learn not to trust people ... You're more cautious about picking your friends."

The alternative, she thought, was rather dull. "You can decide to go and live in the country, never go to a party, or have dinner, never risk anything and you probably will never be talked about. But it's up to you how you wish to live your life."

Even fat cats feel the stress of work in the Nineties

PATRICK TOOHER

Britain's bosses are a downsized, delayered and demoralised lot struggling to cope with record levels of stress, according to a major survey published today.

Redundancies, the introduction of new technology and the loss of key personnel have placed extra burdens on managers, resulting in increased workloads and longer hours.

While this news might provoke an outbreak of somersaults and *schadenfreude* among downtrodden workers across the land, the report's authors argue that the issue of managerial stress affects everybody.

"This not an 'us and them' problem'," Mark Hastings, policy adviser at the Institute of Management, said. "The survey shows that even those who supposedly control their own working patterns are still under the gun."

The report says that an estimated 270,000 people take time off work every day because of work-related stress. The cost to industry and the taxpayer of such absenteeism is enormous, totalling £7bn a year in terms of sick pay, lost production and spending on the National Health Service.

It also finds that stress adversely affects the vast majority of managers' morale, health, effectiveness and relationships.

More than 80 per cent of managers say that their workload has increased over the past year, while nearly half of them feel that it has increased greatly.

Unpaid overtime and "presenteesim" are also widespread. Nearly 60 per cent of respondents claimed that they always worked in excess of their official hours while one in seven always works at weekends.

The Institute of Management, which represents 73,000 managers, accepts that many companies have merely reaped what they have sown.

"The process of restructuring that occurred during the recession has left many companies with just their lifeboat staff," Mr Hastings said. "The result is fewer people are doing more and more work. Businesses are now asking themselves have they gone too far in taking the quick, easy route of reducing costs rather than addressing what it is about their company that creates value."

The institute is calling for a sea-change in corporate attitudes to deal with the effects of increased stress levels. "It is now time for the business community to abandon the macho and heroic image of stress and encourage greater co-operation and support," the report advocates.

The survey, which canvassed the views of nearly 1,100 managers, cites the demands of unreasonable deadlines and office politics as the most stressful work situations. Bullying and intimidation at work are identified as further causes of stress, especially for women. Other contributory factors include commuting to work, financial pressures and finding time to spend with their partner or to indulge in hobbies. Almost two-thirds of managers felt that their professional and personal lives were unsynchronised.

Physical exercise was seen as the best antidote to stress and its symptoms such as tiredness, irritability and disturbed sleep patterns. Other popular ways of switching off in the evening include talking to friends and family, aromatherapy, yoga and even playing the bagpipes.

□ *Are managers under stress? A survey of management morale*; The Institute of Management, 2 Savoy Court Strand, London WC2R OEZ; £50 to non-members

Missing bishop is linked to divorcee

CLARE GARNER

The Roman Catholic Bishop of Argyll and the Isles, who vanished from his house a week ago today, was yesterday being linked by newspaper reports to a divorced mother-of-three.

Cathy Macphee, an auxiliary nurse, is understood to have hurriedly left her home in Inverlochy, Fort William, at about the same time that the Right Rev Roderick Wright disappeared from his diocese. Mrs Macphee, 40, became a friend of Bishop Wright and received counselling from him during the breakdown of her marriage, according to the *Mail on Sunday*.

Prayers were said for the bishop at masses yesterday. The theme of forgiveness was central to Mass at his own cathedral, St Columba's, in Oban. In his homily, Fr Sean MacAulay told parishioners: "God's forgiveness is limitless. He forgives us not 7 or 77 times, but always." As he introduced the bidding prayers, he said that it was "in the spirit of forgiveness that we offer our prayers and support for Bishop Roddie".

The Princess of Wales's mother, Mrs Frances Shand-Kydd, 60, a Roman Catholic convert, has publicly supported the bishop, who has been a friend for six years. Although she spoke to the bishop 11 days ago, she has refused to reveal whether she knows the reason for his disappearance.

Hugh Farmer, editor of the weekly *Scottish Catholic Observer*, said yesterday that he was shocked by church spokesmen's comments which gave credence to rumours that the bishop's disappearance was linked to a divorcee. Mr Farmer added that if, however, the rumours were true then the church would be sad, but would not condemn.

The Archbishop of St Andrews and Edinburgh Keith O'Brien is likely to take over the diocese today if Bishop Wright – due to attend the quarterly meeting of the Bishops' Conference of Scotland in Glasgow tomorrow – does not return.

DEAR MR TAXMAN

TANTRIC TAX

Dear Taxman My boyfriend is adamant that Self Assessment is a new form of tantric meditation. Is he right? Confused, ISLINGTON.

TAXMAN SAYS There is nothing tantric about Self Assessment. It's a clearer, more straightforward system for working out and paying tax. From next April, when your first new-style Self Assessment tax return arrives (assuming you usually get a tax return), you will have fixed dates for filling it in, sending it back and making payments. If you want to find out more, call 0345 161514 for some free booklets.

RECORD ROWS

Dear Taxman Recently my business partner and I are always arguing. She wants to keep proper books and records for our business but I think keeping some receipts in a shoe box is good enough. Which of us is right? Irritated, DONCASTER.

TAXMAN SAYS She is. Setting up and keeping proper records is a legal requirement and makes good business sense. It will help you, your accountant or tax adviser (if you have one), and us. You also need to keep good records for other Government Departments such as Customs and Excise and the Department of Social Security. And if you need a bank loan you'll need records to show the state of your business. For more information, call 0345 161514 to get a copy of our leaflet on keeping records.

DIY QUERY

Dear Taxman Can you recommend a reliable yet inexpensive electronic calculator, as I believe I will now have to calculate my own tax? Undecided, EDINBURGH.

TAXMAN SAYS Save your money. We will still do the calculation for you if you complete and send back your new-style Self Assessment tax return (which you'll get in April, 1997) by 30 September, 1997. If you'd rather work out your tax yourself then you have until 31 January, 1998 to send in your return.

PAINFUL ARREARS

Dear Taxman While dusting behind the clock recently I came across some old tax papers that I haven't responded to. I haven't a clue what they mean. Should I just put them back and forget about them? Worried, CHESTER.

TAXMAN SAYS Unfortunately, they won't go away. You have to sort them out and get your tax affairs up-to-date now before you get into a bigger mess when Self Assessment comes in. If you are in a muddle and need help, contact your accountant or tax adviser if you have one, or get in touch with your Tax Office for help and advice. The telephone number will be on any correspondence you have from us, or in the phone book under 'Inland Revenue'.

Fine on the spot?

Dear Taxman How do I avoid penalties? Desperate, WEMBLEY.

TAXMAN SAYS Fill in the tax return you'll receive next April accurately, and get it in on time. If you want us to work out your bill for you, we must receive it by 30 September, 1997. If you would prefer to do the calculation yourself, the date is 31 January, 1998. If you miss that date you risk an automatic £100 penalty.

Please send me more information about Self Assessment.

Please tick a box if you are:– Employed ☐ A Pensioner ☐ Self-employed ☐ Seeking work ☐

Name (Mr/Mrs/Miss/Ms)

Address

Postcode

SA/IT/1/IT/A

Inland Revenue

Self Assessment – a clearer tax system

PLEASE RETURN COUPON TO: SELF ASSESSMENT PO BOX 555 BRISTOL BS99 5UJ

Lawyers' pay soars to go-go Eighties levels

ROGER TRAPP

Many corporate lawyers are earning more than £400,000 a year as lucrative privatisation work, combined with a strong upsurge in mergers and acquisitions, has sent their pay to their highest levels since the go-go years of the 1980s, according to a survey published today.

The latest annual *Legal Business 100* shows that the total revenue for Britain's 100 largest firms of solicitors in the financial year 1995-96 was £3.25bn, £250m more than the total for the previous year. However, the top five City firms – termed the "premier league" – accounted for much of this rise. Clifford Chance, by far the largest UK-based firm with more than 1,500 partners and other fee-earners, saw income rise by £52m to £282m; both the second-placed firm, Linklaters & Paines, and third-placed Freshfields were about £15m ahead, with £187m and £154.6m respectively; Allen & Overy, in fourth place, was up £10m at £138m and fifth-placed Slaughter & May's fees rose £7m to £133m. At the bottom of the table, the Edinburgh-based Brodies moved up from 100th place to 98th equal with a £100,000 rise in fees to £8.3m.

The list's average profits per partner – which are not the same as take-home pay since firms often retain some of the money for investment, and typically require partners to supply working capital – rose sharply from last year's £159,000 to £181,000. However, there was a wide spread, with senior partners in leading firms earning more than twice as much as the average, and junior partners at the smaller firms seeing profits of well under £100,000.

Though the figures compiled by *Legal Business* magazine clearly put City lawyers in a different league from their counterparts in the high street, they demonstrate that leading solicitors' earnings are roughly similar to those of other corporate advisers, such as merchant bankers and accountants, and to those of the business executives whom they advise.

But the report also contains further evidence that the legal community is following the accountancy world in dividing into a dominant leading group, a middle tier and a collection of niche players. Three of the top five firms – Clifford Chance, Freshfields and Allen & Overy – are increasingly set upon becoming global businesses, with Clifford Chance reportedly gaining a third of the year's turnover from its overseas offices. For this group, the main opposition comes from US-based firms rather than other UK practices.

In the chasing bunch of firms placed between sixth and tenth – "division one" – some showed how results can be skewed by involvement in one or two high-profile deals. For example, eighth-placed Simmons & Simmons, with turnover of £86.8m, is known to have earned £15m alone from work for Railtrack, the privatised rail operator.

Among niche players, such well-known "blue-blood" firms as Farrer & Co and Withers, with fees of £13.5m and £12.4m respectively, have fared well on the back of expertise in representing wealthy private clients.

Catrin Griffiths, editor of *Legal Business*, said: "Corporate work certainly underpinned the rise in revenues and profits this year. After years of recession and with the number of fee-earners cut to the bone, any sudden increase in work went straight to the bottom line."

However, observers are predicting tough times ahead for many of the firms that are not either very large or very specialised. Last week there was a development widely seen as a harbinger of things to come. Arthur Andersen, the global accountancy firm, signalled the accountant's growing intrusion on legal territory by announcing it was merging its Spanish legal operation with one of the country's leading law firms.

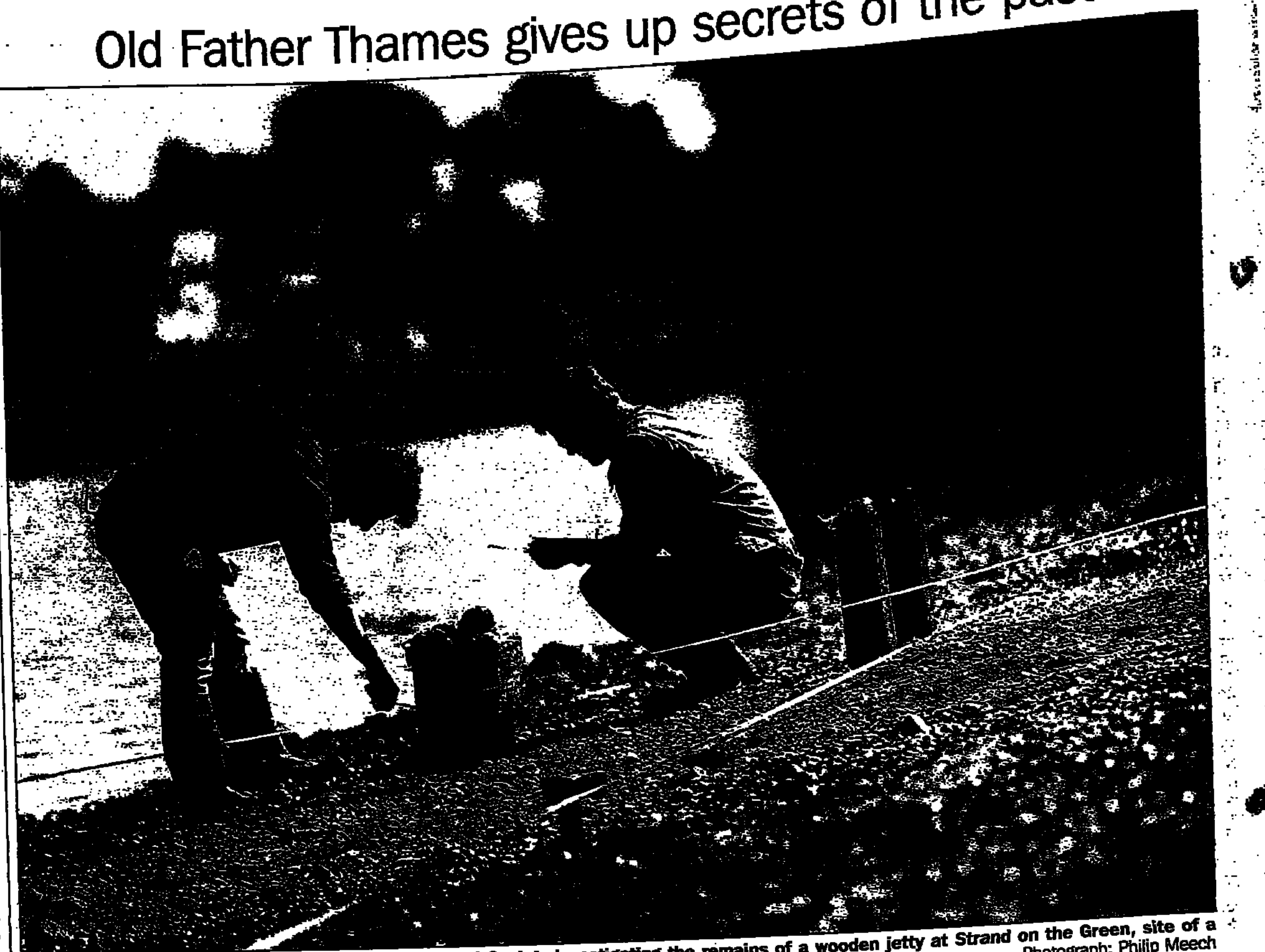
The legal business's top 10 earners

Firm	Gross fees
1 Clifford Chance	£282m
2 Linklaters & Paines	£187m
3 Freshfields	£154m
4 Allen & Overy	£138m
5 Slaughter & May	£133m
6 Lovell White Durrant	£113m
7 Herbert Smith	£89m
8 Simmons & Simmons	£86.8m
9 Norton Rose	£72m
10 Ashurst Morris Crisp	£62.1m

Firm	Profits per partner*
1 Slaughter & May	£460,000
2 Allen & Overy	£445,000
3 Linklaters & Paines	£381,000
4 Clifford Chance	£372,000
5 Freshfields	£352,000
6 Macfarlanes	£343,000
7 Ashurst Morris Crisp	£340,000
8 Gouldens	£323,000
9 SJ Berwin & Co	£316,000
10 Herbert Smith	£290,000

* Not take-home pay
Source: Legal Business 100

Old Father Thames gives up secrets of the past



History trail: Members of the Richmond Archaeological Society investigating the remains of a wooden jetty at Strand on the Green, site of a Middle Ages fishing village near Kew Bridge in south-west London, on National Archaeological Day yesterday Photograph: Philip Meech

Swiss banks to reveal Nazi secrets

DANIEL JEFFREYS

The Swiss government will today tear the thick veil of secrecy which has protected Swiss banks since 1938 when laws were passed to conceal all Swiss bank accounts from prying eyes.

The move follows a week of embarrassing revelations. Recently discovered documents from United States intelligence proved that Swiss banks assisted the Nazis in hiding assets worth billions stolen from Holocaust victims. The banks used Swiss secrecy laws to conceal the extent of the stolen goods from a post-war Allied inquiry.

The Swiss government may also have been prompted to act against its banks after threats made through diplomatic channels. Sources in the US Treasury say that the Swiss government was told that banks could lose their US trading rights unless they co-operated with a growing international search for property stolen by prominent Nazis between 1938 and 1945.

The decree suspending secrecy will have to be confirmed by a referendum. Swiss bank inspectors will then be given blanket powers to examine all relevant bank records. Anyone who destroys any document to prevent its publication will be sent to jail or fined up to SFr50,000 (£28,000).

Documents obtained last week by the World Jewish Congress (WJC) in New York revealed that the Swiss Bank Corporation (SBC) and Credit Suisse, two significant players in the global financial market, were key protagonists in collaboration with the Nazis.

The documents held by the WJC show that the two corporations were the subjects of a "criminal investigation" by secret agents of the US Treasury between 1942 and 1946.

A just-declassified secret memorandum from March 1947 names the Swiss Bank Corporation repeatedly in the practice of falsifying affidavits of ownership so that securities owned by Holocaust victims could be "legally" transferred into German hands.

Another intelligence report reveals for the first time that the SBC's practices in falsifying documents came to the attention of the Swiss government in 1942. Officials apparently tried to bring the culprits to justice but the case was quashed.

Before these latest revelations the Swiss banks had played down the extent of Nazi deposits in Switzerland. But the truth emerged also in a secret US memo of January 1945 which says intelligence intercepts throughout 1944 showed that Swiss banks "gave tremendous assistance to the enemy" in operations dictated not by necessity but "solely by the profit motive of Swiss banks".

All Swiss banks will now be under profound pressure to tell the truth about wartime activities and neither the US government nor the WJC will allow the Swiss investigation to proceed without close monitoring.

Senior US Commerce Department officials have just completed a tour of 13 countries collecting evidence against the Swiss banks and the WJC will continue to mine US intelligence archives for further evidence of illegal acts. "The arm of the law has a long reach," said a WJC official. "It has now caught up with the Swiss banks and justice may at last be done."

"Does it really matter who's behind travel insurance"

A very down to earth question.

The words 'American Express' are understood around the world. That's important if you're abroad and you find you need medical attention, cover for lost baggage or personal property, compensation for travel delay or funding for legal expenses. So if you need emergency assistance or even pre-travel advice, our representatives are on call 24 hours a day wherever on earth you are. We offer a choice of competitively-priced annual or single trip policies that you need not be a Cardmember to take advantage of. You see, your travel insurance provider can make a world of difference.

To find out how we can help you do more with travel insurance, call:

0800 700737

AMERICAN EXPRESS Insurance Services

TIN1

Policy terms and conditions are available upon request. American Express Services Europe Limited. Reg. Office, Portland House, 1 Stag Place, London SW1E 5BZ. Reg. No: 1833139.

Lord Chancellor studies plan for US-style salaried legal service

PATRICIA WYNN DAVIES
Legal Affairs Correspondent

The controversial and much-slated American "public defender" system is being studied by the Government with a view to importing the idea to England and Wales.

The system, where the accused is advised and represented by salaried lawyers employed by the public sector, was once viewed as unthinkable by ministers. But in what could be a significant change of attitude, the Lord Chancellor's Department has given the go-ahead for civil servants to visit the US to carry out a detailed study.

One of the most fabled examples of the problems facing under-funded US schemes was the case of Richard Teisser, a New Orleans public defender who successfully sued himself, demanding a judge declare his work inadequate and order the state of Louisiana to provide more resources.

Forsyth: Lawyers objected to similar Scottish scheme

The visit by Ian Burns, head of the law and policy group at the department, and two other officials, comes in the wake of plans by Michael Forsyth, the Secretary of State for Scotland, to set up pilot schemes for such a system north of the border. There was vociferous opposition from the Law Society of Scotland when Mr Forsyth announced the proposals in June in the White Paper *Crime and Punishment*.

As in England and Wales, Scottish criminal defence work is provided by private practice lawyers paid for by the Legal Aid Board or, if he or she can afford it, the client. Mr Forsyth, along with the Scottish Legal Aid Board, believes a public defender scheme would achieve better value for money in a criminal legal aid system that has seen spending spiral from £25m in 1987-88 to £76m in 1994-95 and average case costs more than doubling in recent years.

But the Law Society warned that innocent people could be jailed because US experience had shown that public defenders were underfunded, overworked, and under constant pressure to extract guilty pleas to save trial costs.

Russell Wallman, head of professional policy at the Law Society of England & Wales, said: "We don't think that a public defender system would be compatible with the choice which defendants are entitled to expect, and experience with other jurisdictions suggests that it is difficult to maintain quality. There is no political will to fund proper representation."

Mr Wallman said the society might take a different view if a scheme was run in genuine parallel with the existing system, with the offender being given a proper choice. But he added: "There are obvious problems of client confidence. I don't think the criminal field is the place to start a salaried legal service."

Richard Scott, chief executive of the Scottish Legal Aid Board, has called for a 70-30 private-public split. The Government has emphasised in relation to Scottish proposals that it is not suggesting a 100 per cent salaried defence service. It believes a mixed system would cut costs and improve efficiency.

DAILY POEM

Blood

By Raymond Carver

We were five at the craps table
not counting the croupier
and his assistant. The man
next to me had the dice
cupped in his hand.
He blew on his fingers, said
Come on, baby! And leaned
over the table to throw.
At that moment, bright blood rushed
from his nose, spattering
the green felt cloth. He dropped
the dice. Stepped back amazed.
And then terrified as blood
ran down his shirt. God,
what's happening to me?
he cried. Took hold of my arm.
I heard Death's engines turning.
But I was young at the time,
and drunk, and wanted to play.
I didn't have to listen.
So I walked away. Didn't turn back, ever,
or find this in my head, until today.

Raymond Carver (1939-88) was better known for his short stories than for his poems, but Harvill has just published his collected verse, *All of Us* (£20), and today the Poetry Society begins a month-long tribute to him at 22 Betterton Street, London WC2. "I began as a poet", he wrote. "My first publication was a poem. So I suppose on my tombstone I'd be very pleased if they put 'Poet and short-story writer – and occasional essayist' in that order."

Tory conference faces Euro rifts

COLIN BROWN
Chief Political Correspondent

Plans by Brian Mawhinney, the Conservative chairman, for a show of unity at the party conference with John Redwood and Baroness Thatcher could be disrupted by rifts over Europe. This week Mr Redwood is to meet Dr Mawhinney over plans for the show of unity.

Dr Mawhinney agreed details with Lady Thatcher last week for her appearance at Bournemouth and Mr Redwood is making a keynote speech at a fringe meeting of the Conservative 2000 group.

But unity will be further strained over Europe. The cross-party European Movement today gives details of a poll showing most voters in all three main parties wanted Britain to keep open the option of a single currency. Support for government policy was strongest among Labour voters, with 69 per cent supporting it, compared to 55 per cent of Tories.

The Conservative Group for Europe, led by Edwina Currie, will also step up its pro-European campaigning by reissuing calls for a united Europe by Sir Winston Churchill, to mark the 50th anniversary of his speech in Zurich.

Mr Redwood increased pressure on Kenneth Clarke, the Chancellor of the Exchequer, to rule out entry into a single European currency before the election.

He said Britain's refusal to rejoin a European exchange-rate mechanism meant the country was moving away from a single currency. He did not think that the Chancellor would resign over the issue.

Mr Redwood believes the tide has turned towards the Euro-sceptics.

He said Mr Clarke should introduce legislation to make the Bank of England independent in the run-up to the single currency, and persuade his colleagues to rejoin the ERM, but that had not happened.

هكذا من الأصل

هكذا من الأصل

Battle to save wood spreads to sewers

JOHN GILBERT

The fight to save Naburn Woods has gone underground. Campaigners, who will this week face bailiffs on 70 acres just south of York, have taken to the sewers in their efforts to prevent the wooded estate, once the site of the Naburn mental hospital, from being turned into a "village" of factory shops selling discounted goods.

As the treehouses were being spliced together, siege provisions were also being stowed underground in old tunnels. "This time we've got a real chance of winning ... it'll be very difficult and very expensive to get us out," one protester said.

A spokesman for the National Health Service Executive's Northern and Yorkshire region said:"Our sole intent in this matter is too realise as much revenue as we can for the public purse and the NHS."

But York City Council, the city's Labour MP Hugh Bayley, its Chamber of Commerce and many residents are opposed to the development.

Last Friday Mr Bayley wrote to the chief executive of the American developer BAA Mc-Arthur Glenn demanding a meeting. "We must try to persuade the developers that their plans are not wanted by York," Mr Bayley said.

Digging in: A protester emerging from one of the tunnels beneath Naburn Woods, near York, where people fighting against plans for a shopping village are storing provisions Photograph: David Rose

Councils could be stripped of student grants

FRAN ABRAMS
Education Correspondent

Ministers are preparing to remove control of the student grants system from local authorities. They believe that there are unacceptable variations in the service students get in different parts of the country, and that a single grants agency might be able to do a better job.

The authorities have already been told they could lose the funds set aside for further education students from next year. They say they will fiercely oppose the proposal on the grounds that it is illegal, leaving them with responsibility for administering the grants but without the money to do so.

At the same time, the Universities and Colleges Admissions Service, Ucas, is making plans to bid for the whole grants system if the politicians put it out to tender. It has already set up a pilot scheme to prove that it is best placed to run a "one stop shop" for university entrance and grants.

Officials at the Department for Education and Employment have written to local authorities' organisations to say that they want to hand over the further education grants system to the Further Education Funding Council, which funds the colleges. Because there would be no change in the law, the authorities would still have to consider all requests for grants even though they had no funds at all to distribute.

Instead, the money would be channelled through "access" funds run by colleges for students in hardship.

The authorities have protested angrily to government officials that the change would create an "irritating diversion" from the debate on the future of university and college funding. They say the Government has a legal duty to give them the money to distribute to students.

David Whitbread, education officer of the Association of County Councils, said that in general the existing system worked well.

He added: "We would have far less money to make awards but people would still be able to ask for them. We would argue that student support is a proper concern of elected bodies."

Another, potentially even more controversial move under consideration is a plan to remove the whole university grants system from local authorities as well. Most of these grants are "mandatory" - the student is entitled to them on a means-tested basis and the authority has to pay them. They cost the Government £2bn per year.

Ministers will not make an announcement about the future of this part of the system until at least next year, but a pilot scheme involving Ucas is currently running in 10 areas.

The admissions service believes it is ideally placed to run student grants, because it knows which universities students are going to almost as soon as they do. Under its pilot scheme, it sends the information through to local authorities so that they can process grants before they receive formal requests for them from the students.

Mike Scott, universities and colleges liaison officer for Ucas, said its system could save a lot of time. Although it worked with local authorities at present, it could easily operate independently of them. "Trials have shown that it saves at least two weeks in terms of sending the students' cheques out," he said.

A spokeswoman for the Department of Education and Employment said there were no current proposals to remove these "mandatory" grants from local authorities.The department was waiting to hear from Sir Ron Dearing's review of higher education. "Only when he has reported will we be able to say what is happening," she said.

Rail phone blunder puts chemist on line

CHRISTIAN WOLMAR
Transport Correspondent

A pharmacy plagued by train inquiries after its number was wrongly listed in a directory has received no compensation or even acknowledgement of the problem from the rail industry after six months of complaints.

Associated Chemists, a Sheffield firm, found in March that its number had been wrongly published in the North Manchester phone book and the Yellow Pages as the number to obtain "BR information". The first the firm's managing director, Martin Bennett, heard about it was when he picked up the phone early one morning and was asked if he would mind looking outside "to see if the Bournemouth train was there".

On Good Friday, when demand for prescriptions was particularly high, Mr Bennett's switchboard was inundated with calls, causing severe problems to genuine callers. At other times, such as in the aftermath of the Watford crash last month and in the days before Bank Holidays, the switchboard has been blocked by callers.

Today Mr Bennett hopes to meet a representative of the Association of Train Operating Companies, the first official acknowledgement of the problems which his business has been suffering from in the past six months. His efforts to get any response from British Rail failed, as in the aftermath of privatisation it was impossible to find out who to contact.

Mr Bennett said: "Finding out who was responsible has been a major problem. Yellow Pages say they obtained the information from BT, who in turn say they got it from British Rail's PR company, Proctor and Proctor, who say they obtained the number from BR."

Proctor and Proctor has contacted Associated Chemists and offered to have the number changed but Mr Bennett says this is not acceptable, because the firm has provided an extended-hours emergency service in Sheffield since 1952 and the number is widely known. Mr Bennett discovered that the cost of installing computer equipment to filter out the rogue calls would cost £10,000 and attempted to find out if British Rail would pay. He was told train inquiries are now the responsibility of the Association of Train Operating Companies, but spent several months unsuccessfully trying to get someone there to return his calls.

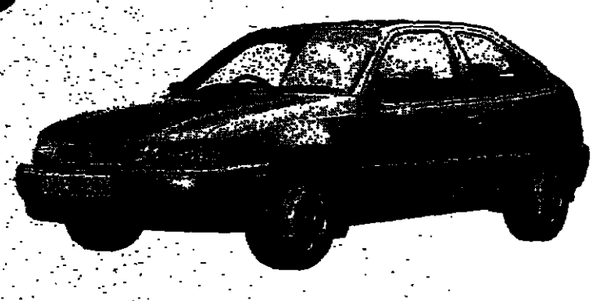
Matters have been made worse by introduction of a new national number for phone inquiries. Mr Bennett said: "The correct BR number now has an answerphone telling people to phone the national number, 0345 484950, but they don't get through and then phone our number and abuse our staff."

Mr Bennett has given up trying to obtain sufficient compensation to pay for computer equipment but would dearly like someone to acknowledge the problem: "I just want someone to come and say sorry and offer to help me. It doesn't seem too much to ask."

FROM £116 PER MONTH, A FAMILY CAR WITH ALL THESE EXTRAS WILL SAVE YOU MONEY.

With a Daewoo Personal Contract Plan you can drive a family sized car for as little as £116 per month. And our Manifesto gives you so much more as standard. We are so confident of the future value of our cars that we are prepared to set a Minimum Guaranteed Future Value (MGFV) in two or three years time. That way your monthly repayments are kept low because you don't pay the MGFV until the end of your agreement. At the end of your agreement

DAEWOO



MEXIA GLX 3 DOOR - LIST PRICE £8,795		
NUMBER OF MONTHLY PAYMENTS	25	37
DEPOSIT EXPRESSED AS A % OF THE CASH PRICE	30%	30%
AMOUNT FINANCED	£6,156.50	£6,156.50
TOTAL AMOUNT CHARGED FOR CREDIT *	£852.61	£1,140.11
TOTAL AMOUNT PAYABLE	£9,647.61	£9,935.11
MONTHLY REPAYMENT	£124.64	£115.51
FINAL PAYMENT (MGFV)	£3,957.75	£3,085.25
FLAT RATE PER ANNUM	5.0%	4.0%
ANNUAL PERCENTAGE RATE	8.4%	8.2%

you have three choices. 1.) Pay the MGFV and drive your car away. 2.) Return the vehicle and walk away with nothing more to pay. The example is based on 12,000 miles per annum. Any mileage above this is charged at 8p per mile. 3.) Apply for another Personal Contract Plan, and if you decide to buy a new Daewoo, we will guarantee 10% of your original purchase price, over and above the MGFV of the car, for you to use towards the deposit. *A £60 administration fee is payable with the first instalment. Written quotations available on request. Finance is provided, subject to approval, by Daewoo Direct Finance Ltd., City Road, Chester CH99 3AN. You must be 18 years or over. Open to private buyers only. Is not available with any other schemes or limited editions. To find out the location of your nearest Daewoo outlet, call us free on 0800 666 222.

DAEWOO MANIFESTO

1. We deal direct
More for your money as standard on every Daewoo model:
Electronic ABS
Driver's airbag
Power steering
Air Conditioning
Engine immobiliser
Security glass etching
Side impact protection
Metallic paint
Mobile phone

2. Hassle free buying
No salesmen on commission
Fixed pricing
No hidden charges
Delivery included
Number plates included
Full tank of fuel
12 months road tax included

3. Complete peace of mind
3 year/60,000 mile comprehensive warranty
3 year/60,000 mile free servicing including parts and labour
3 year Daewoo Total AA Cover
6 year anti-corrosion warranty
30 day/1,000 mile money back or exchange guarantee

4. Courtesy servicing
Free courtesy car offered
Pick up and return of your car (Mainland UK only)

A car with so many extras for so little per month? That'll be the Daewoo.

news

Private fund of £60bn urged to care for aged

Workers would pay £5 a week for 'insurance policy'

NICHOLAS TIMMINS
Public Policy Editor

The boldest attempt yet to solve the problem of paying for long-term care for the elderly was launched yesterday by the Joseph Rowntree Foundation, with a call for immediate free care in old age linked to a new, privately-run national insurance system to pay for it in the future.

The package would instantly add £540m to public spending. But over time a huge, privately-owned but state-regulated fund of £60bn would build up to pay both for care in people's own homes and for the care and accommodation needed in nursing and residential homes.

Under the deal, many fewer people would have to sell their homes to pay for accommodation in residential and nursing homes. But all the care – from intensive nursing to local authority help in people's own homes – would be provided free at the point of use, as under the NHS. And as the scheme matured, many more would have their full costs for both care and accommodation covered by an insurance scheme into which people would pay 1.5 per cent of earnings, paid between the existing upper and lower earnings limits for national insurance contributions.

For someone on average earnings, that would be about £250 a year or £5 a week, broadly in line with the cost of an average car policy or house-building policy.

The package is the result of an 18-month inquiry by a team which included both public and private sector expertise and which received advice, without any commitment to the conclusions, from the Departments of Health and Social Security, and from the Government Actuary.

With Labour and the Conservatives locked into a battle to be the low-tax party, Sir Peter Barclay, the inquiry's chairman, acknowledged that neither was likely to commit itself to the findings ahead of a general election.

But the need to tackle long-term care was "urgent", he said. And the report's proposals, while "radical" seek "a balance in all directions" between the public and private sectors which Sir Peter hoped might allow a cross-party consensus to be built over the coming months.

Sir Peter Barclay: "It will be like house insurance"

"It would be very easy to oppose these proposals because they look like a tax," Sir Peter said. "But it is really a very different idea, much more like house insurance, where you may have to pay out nothing or you may face a very substantial bill. It is really the beginning of the welfare state of the future, where everyone is helped but people still have to pay for themselves into a proper insurance fund which will cover the costs they may face."

The scheme draws a distinction between care costs – from home help to nursing – and the "hotel" or accommodation costs, which would remain means-tested. But existing domiciliary services and the care element in nursing and residential homes would immediately become free, adding £540m to public spending.

The insurance would cover both types of costs, which in residential and nursing homes split roughly 50-50. The taxpayer would pick up the tab for the care element where an individual's insurance package was not big enough.

The scheme would be overseen by a National Care Council which would keep contribution rates under review and set care standards, while regulating competing private providers of the insurance fund.

There was, Sir Peter stressed, no immediate cause for panic over paying for care in old age – but from 2015, as the post-war "baby boomers" retired, "there will be a surge in demand for care services".

The package requires today's earners to make provision for their old age and ease the burden on future taxpayers, he said. "In return, they would become entitled to good quality care that was free at the point of delivery. They would also be at far lower risk of losing the family home and other assets that they may wish to pass to their children."

■ *Meeting the costs of continuing care.* Summary £5 from York Publishing Services, 64 Hallfield Road, York YO3 6LP

Appetite for work: Lindsey Hobson, a teacher at St Stephen's School, Bardford, with two pupils on the reading scheme Photograph: Peter Byrne/Guzelian

Help with reading cuts child crime

FRAN ABRAMS
Education Correspondent

A government-funded reading scheme for children in inner-city schools has brought them on by six months in just 10 weeks and may even have helped to cut crime, researchers say.

The programme, which aims to help 8,000 pupils in Bradford by next March, is being picked up by other local authorities across Britain and abroad. Its leaders say it is the most successful reading scheme ever run in this country for average and below-average children.

Pupils have become so much better at reading that their other school work has improved, their enthusiasm for education has grown and they are now far less likely to play truant.

This could be one reason why burglaries on the city's Holmewood and Bierley estates have dropped to less than half their 1992 level, according to the head of Bradford City Challenge Ltd, which distributed funds for the scheme.

John Watson, chief executive of the firm set up in 1992 with £38m from the Government and £130m from the private sector, said many people believed the Better Reading Partnership scheme had helped.

"We have related the number of young people breaking into houses directly to the truancy rate. If the children are able to read they are more likely to be interested in what goes on at school and less likely to play truant. Because they are not on the streets they are less likely to be breaking into houses," he said.

Although other initiatives, such as the recruitment of dedicated police officers for the estates and renovation and security improvements on houses, had certainly helped to cut crime, the reading programme had played its part, he said.

The scheme was designed to complement the national reading recovery programme, which is aimed at the bottom 10 per cent of readers. The Better Reading Partnership helps those who are not in that group but who are below average.

It now employs more than 350 volunteers who have received two days of training. Each spends three 15-minute periods per week with a particular child for 10 weeks, reading first a familiar book, then one the pupil has read at home, then an unfamiliar one.

Kevan Collins, language and literacy adviser for Bradford, said the training given to the volunteers helped them immensely. "The way that the adults have come through with such professionalism and ability has left us all feeling humble," he said.

Children who took part in the scheme were six months further on when they finish it and were still well ahead of their classmates three months later, researchers from Bradford city council will announce today.

At St Stephen's Church of England First School both pupils and parents have benefited according to the head teacher, Mrs Elizabeth Mansbridge. It was usually difficult to get parents involved, she said, but now the school had nine trained reading volunteers.

"They really are keen on it and they have taken it on board. It is the one scheme we have found that has successfully brought parents into school," she said.

"DAY ONE, AND THE WORK'S COMING IN. LET'S KEEP IT FLOWING."

WHEN YOU'RE STARTING YOUR OWN BUSINESS, LLOYDS BANK CAN GIVE YOU THE HELP AND INFORMATION YOU NEED.

Setting up on your own is an exciting experience, but it takes courage, too. However, you can feel more sure of success when you can rely on getting the kind of information and support your business needs.

By listening carefully to what our new business customers want and need, we've developed a range of business services to help people like you.

For example, your first year's banking is free.* We can provide ways of helping with book-keeping, sales prospecting and debt collection. And if you need extra finance, we'll discuss the possibility of a starter loan at an attractive fixed interest rate.

Call us today on
0345·00·33·77
to arrange to meet a Lloyds Bank Business Manager
Lines open 9am – 8pm Monday to Friday, 10am – 2pm weekends
Please quote reference ID07

Interested? Then give us a call on 0345 00 33 77, or drop in at your local Lloyds Bank branch. Our experienced and conscientious Business Managers will be delighted to give you all the help and information you need.

Take your first step now – You can call us 7 days a week, between 9am and 8pm (10am and 2pm at weekends) on 0345 00 33 77, to arrange to meet a Lloyds Bank Business Manager. All calls are charged at local rates.

*New business customers with an anticipated first year banking turnover of up to £1 million receive banking free of account transaction charges whether in credit or overdrawn.

Lloyds Bank

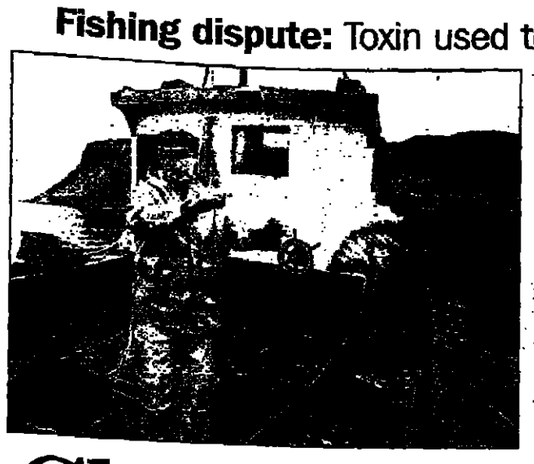
THE THOROUGHBRED BANK

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

هكذا من الأصل

هكذا من الأصل

Fishing dispute: Toxin used to control sealice in Skye could find its way into humans and build up in the body, scientists fear



Tide of change: Donald Campbell (above, left) fears for consumer confidence in his shellfish catch if Ivermectin is used in Uig Bay (above) Photographs: Colin McPherson

Chemicals raise fear of salmon farming

STEPHEN GOODWIN

Inshore fishermen resisting plans for a salmon farm in Uig Bay on the Isle of Skye are the latest indicator of a deep unease in Scotland and beyond about the industry's dependence on an escalating diet of chemicals. Toxicologists believe its most recent fix could harm humans.

Fishermen and conservationists were dismayed 10 days ago when the Scottish Environment Protection Agency (Sepa) sanctioned use of the neurotoxin Ivermectin to kill sea lice on salmon farmed off south Skye.

Applications to use the chemical on at least 50 more farms are in the pipeline. Sea lice are the scourge of an industry worth £250m last year and supporting 5,500 jobs. Thriving in the confines of the floating cages, the lice cost the salmon farmers £20m a year.

Sepa admitted that laboratory tests had shown Ivermectin to be highly poisonous to shrimp-like crustaceans and to worms that live in the sea bed. More alarmingly, a confidential report to the Association of Scottish Shellfish Growers suggested that some human beings might be susceptible to the poison.

The report's author, John Duffus, director of the Edinburgh Centre for Toxicology at Heriot-Watt University, said that "most worrying" was Ivermectin's potential for accumulating. While occasional therapeutic use might be unlikely to cause problems, it "would tend to build up in the body with the possibility of reaching toxic levels" if continuously present in the human environment or diet in quantity.

"In the worst scenarios, levels might be reached which affect the human embryo in the womb, the human baby through breast milk and the aged as fat depots are mobilised in response to diseases of old age."

Little wonder that the prospect of a salmon farm in Uig Bay does not appeal to the 10 fishermen who make a modest living there gathering prawns, lobsters and crabs. Uig Community Council is objecting to an application to Sepa by the Skye-based Sgeir Mhor (Salmon) Ltd to discharge waste from cages.

"There are a lot of 'ifs' here," said Donald Campbell, an Uig fisherman. "If the salmon farm goes ahead, if they use Ivermectin, and if we are excluded from the area, it would be disastrous for us." A decision on Uig Bay is expected next month.

Conditions already set by Sepa include a ban on the use of Ivermectin within two miles of a shellfish farm. But while this was to allay fears of shellfish farmers that the public might "perceive" their oysters or scallops to be contaminated, it is illogical. There is no scientific case for the choice of two miles and ignores the fact that shellfish can be "wild gathered" right up to the salmon cages.

Hugh Allen, secretary of the Mallaig and North West Fishermen's Association, sees other dangers. "What happens with bottom-feeding fish like skate or monkfish? They could be feeding under the cages one day and caught the next."

Ivermectin is a common "in-feed" treatment for livestock. Feeding to salmon should stop at least 120 days before the fish are harvested. "But what about escapees?" asked Mr Allen. Sepa had been "pretty cavalier", he said, in giving the go-ahead when there was little research into Ivermectin's long-term effect on the marine environment. His criticisms were shared by the conservation body Scottish Wildlife and Countryside Link.

"Sepa are effectively making the commercial use of this chemical into a field trial. That rather reverses the Government's 'precautionary principle'," said Alison Ross, an adviser to Link. Sepa emphasised its "strict controls" on the use of the pesticide and its duty to consider the importance of fish farms for the local economy. Nor, under statute, can it "unreasonably" refuse consent.

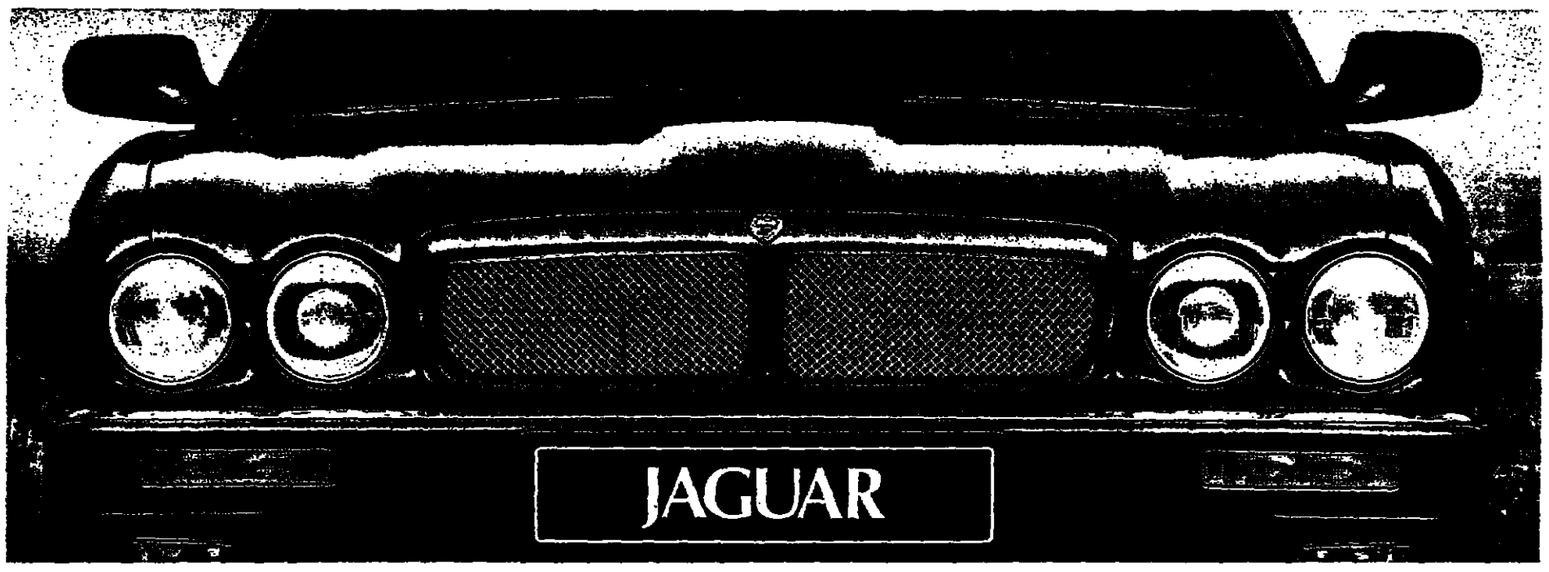
"When the results of the field studies did not show the toxicity levels indicated by the laboratory experiments we felt that an extended trial of Ivermectin usage in fish farms was justified," said Professor David Mackay, director of Sepa's North region.

Lunch for £5
Dinner for £10
at CAFÉ ROUGE
RESTAURANT BAR CAFE

Starting this Saturday, The Independent invites you to enjoy a taste of France.
Together with a friend, you can enjoy a two course lunch for just £5, or a three course evening meal for just £10. Both prices include coffee and service.
Don't miss Token 1, this Saturday.

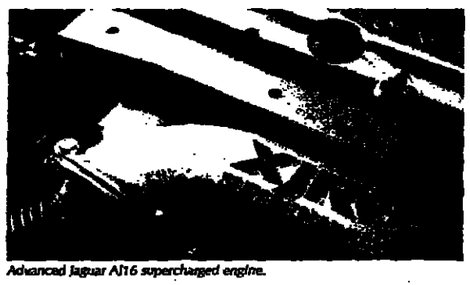
THE INDEPENDENT

YOU DON'T MOVE AHEAD SO DRAMATICALLY BY SITTING ON YOUR REPUTATION.



THE ADVANCED TECHNOLOGY JAGUAR XJ SERIES.

When developing their new range of luxury cars, many manufacturers adhere to the old adage



Advanced Jaguar AJ16 supercharged engine.

'If it's not broken, don't fix it.' They simply add a few new knobs, and relaunch their cars as 'updated'.

When developing the latest XJ Series, the technicians at Jaguar's Engineering Centre preferred to stick to the principle of it may not be 'broken', but new technology means it can always be improved. The result is a range that ushers Jaguar into a new era. One where the very latest in automotive design and technology have been employed without sacrificing the spirit of the Jaguar legend. The body may be constructed by robots, but the finished article is the embodiment of the designers' original passion.

Beneath the sleek, flowing skin of every new Jaguar lies a host of technical advances. The heart of the beast is the Advanced Jaguar AJ16 engine, delivering outstanding power and performance on demand.

Such a refined and sensitive piece of engineering needs to be carefully monitored and adjusted to optimise both performance and economy and this task is carried out by a highly sophisticated engine management system. With such performance at your disposal, it's imperative to be in control at all times and this control is supplied by the speed-sensitive power steering and four-wheel sensing anti-lock braking systems.

4-wheel sensing anti-lock braking.

ELECTRONICALLY CONTROLLED SPEED PROPORTIONAL POWER STEERING • FRONT ANTI-DIVE/REAR ANTI-LIFT SUSPENSION GEOMETRY • ON BOARD DIAGNOSTICS • DRIVE AWAY DOOR LOCKING • ANTI-LOCK BRAKES WITH 4-WHEEL SENSING COMPUTERISED ENGINE MANAGEMENT SYSTEM • INERTIA SWITCH ISOLATION OF FUEL TANK IN EVENT OF COLLISION

It is now a while since the XJ Series was launched and yet the world's motoring press continue to enthuse about almost every single advance Jaguar's engineers have made, which fully justifies their use of over one hundred pre-production prototypes to test and perfect these innovations. As an overall package, the Jaguar XJ Series has been voted 'Best Luxury Car' in both 1995 and 1996 by Fleet News, Fleet Car and Complete Car. (The Germans also showed their appreciation in Auto Motor Und Sport. The XJ Series won 'Best Imported Luxury Car,' again in both years.)

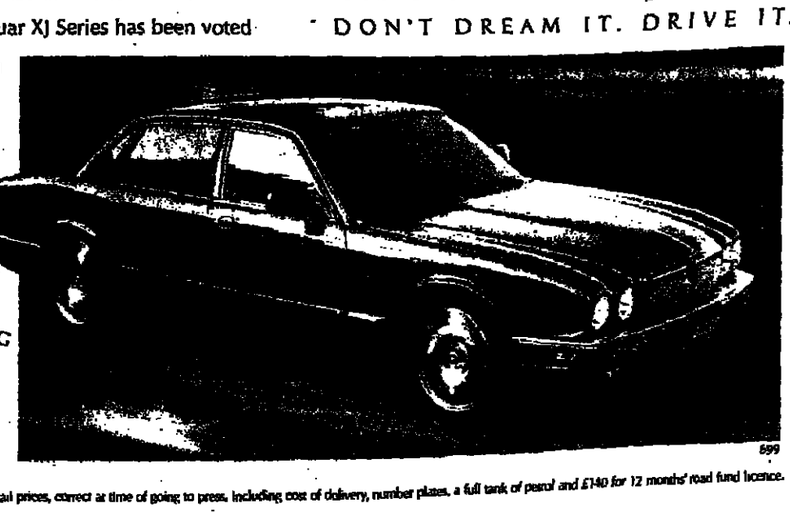
The new XJ Executive makes true advances in luxury, yet offers true value for money. Automatic transmission, leather upholstery, climate control and alloy wheels are all included as standard. We even go so far as to offer a 3 year/60,000 mile manufacturer's warranty.

State-of-the-art CFC-free heating and air conditioning system.

As always though, the only way to fully appreciate the dramatic new technical advancements of the Jaguar XJ Series is to take our reputation for a test drive.

For more information or to arrange a test drive, please call freephone 0800 70 80 60 or fax your contact details direct to 0171 611 6968.

JAGUAR
DON'T DREAM IT. DRIVE IT.



599

The Jaguar XJ Series saloon from £31,620. Model featured supercharged Jaguar XJR from £49,570. Manufacturer's recommended retail prices, correct at time of going to press, including cost of delivery, number plates, a full tank of petrol and £140 for 12 months' road fund licence.

Arms charges: MP's letter supports defence

Briton in death penalty case was MoD spy

TIM MCGIRK
New Delhi

Despite government denials, a Briton facing a possible death penalty in Calcutta for treason was working for British intelligence when he was arrested in India, *The Independent* has learned.

The Ministry of Defence denies any collaboration with Peter Bleach, 44, a former army intelligence officer turned arms dealer. He was arrested last December in Bombay after his cargo aircraft dropped by parachute a huge cache of arms allegedly destined for a Hindu revolutionary cult.

But a letter sent by Jeremy Hanley, the foreign minister, to the Conservative MP Sir Teddy Taylor on 30 April confirms Mr Bleach's version that he had tipped-off defence officials about the arms plot. Mr Hanley wrote: "I understand that Mr Bleach was in contact with the Defence Export Sales Organisation (DESO) on a number of occasions. Mr Allkins of DESO passed a copy of Mr Bleach's letter on to the appropriate authorities. Subsequently, police officers visited Mr Bleach at his home. They advised him not to proceed further with the case.

"Following this meeting, Mr Bleach continued to contact DESO irregularly. On each occasion it was made clear to him that information was being passed on to the appropriate authorities. Mr Bleach agreed that he was content for this to happen."

But sources close to Mr Bleach dispute the Foreign Office's assertion that he was warned off the arms delivery.

Bleach: Regular contact

> 'They told him to run with it and find out who these arms were meant for'

"They told Peter to run with it and find out who the arms were meant for," the sources told *The Independent*. Sir Teddy, in correspondence with one of Mr Bleach's friends, remarked on Mr Hanley's letter: "You will see that the Government insists that they advised Peter not to proceed with the contract but I would think that this may simply be the normal defence mechanism with the Foreign Office!"

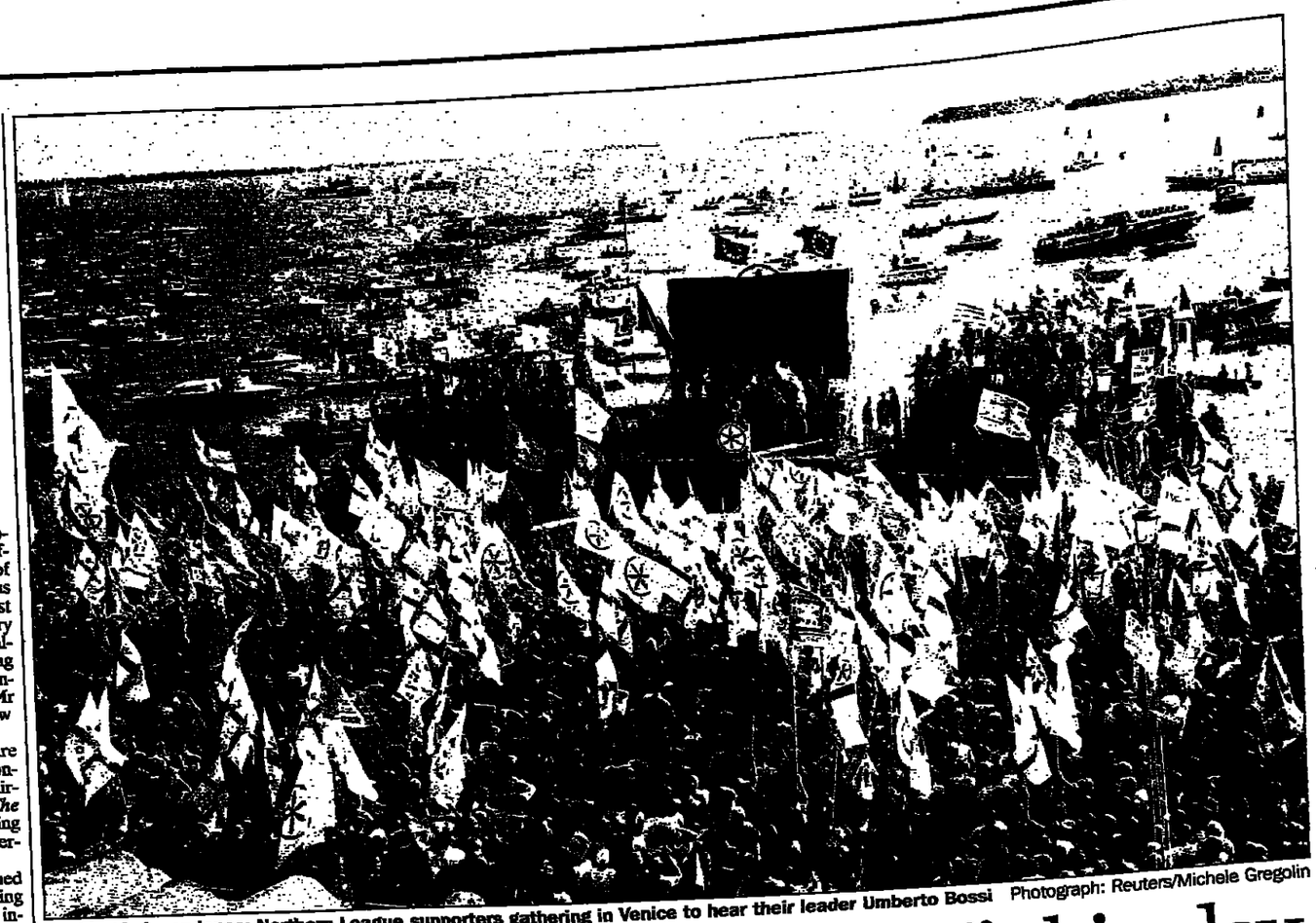
Mr Bleach's defenders claim that the ministry may be trying to hide its embarrassing ties with the former intelligence officer. British intelligence passed on Mr Bleach's details of the proposed arms drop to Indian officials, but through a series of blunders (one secret letter was sent from New Delhi to West Bengal officials by ordinary post, arriving too late) the alleged ring-leaders, who belong to a Hindu sect known as Ananda Marg, all escaped. Only Mr Bleach and a Latvian air crew were caught.

"I think that the police are setting me up to take the consequences of the entire air-drop," Mr Bleach told *The Independent*. "They are treating me as the world's worst mercenary."

The Independent also learned that evidence allegedly proving Mr Bleach's ties to British intelligence were seized under the Prevention of Terrorism Act during simultaneous raids on his London flat and home in north Yorkshire, by the Metropolitan Police and North Yorkshire CID. "The Indian police had gone to London, persuaded British police to obtain a search warrant, and then on 31 July they raided my girlfriend's house and took all the defence papers," Mr Bleach said. The papers, which Mr Bleach insists can prove his innocence, are in Special Branch custody.

Mr Bleach says he cannot find a barrister in Calcutta to defend him. He also asserts that Indian authorities have denied him a chance to examine the 300-page charge sheet against him.

Michael Howard, Home Secretary, said in New Delhi in January that Britain would not plead Mr Bleach's cause. "My government has no interest in anything other than the [Indian] law taking its normal course," he said.



Seeking independence: Northern League supporters gathering in Venice to hear their leader Umberto Bossi Photograph: Reuters/Michele Gregolin

Unity rally upstages Bossi's big day

ANNE HANLEY
Venice

As Umberto Bossi, the leader of the Northern League, declared "independence" in Venice yesterday, he was upstaged by a rival, unity march in Milan by 150,000 supporters of the post-Fascist National Alliance of Gianfranco Fini.

The League ceremony, which was attended by 50,000, culminated a three-day pilgrimage along the Po. Water from the source was poured into Venice's lagoon as a sign of the "Padanian soul". Padania is the League's name for its proposed state. The Italian flag was replaced by a Padanian one and a "government" presented. A "foreign minister" to handle relations with Italy and the rest of the world, a "defence minister" and an "economics minister" to oversee the smooth passage from the Italian to the Padanian lira which yesterday, it was announced, became legal tender at the same rate of exchange as south of the border.

"Nothing is the same as before," shouted Mr Bossi to wild applause. "Nothing can stop what will come. We have strength and constancy on our side."

In Milan, by contrast, Mr Fini's march culminated in a tree-planting ceremony laden with symbols of Italian unity. The big turn-out was a slap in the face for Mr Bossi, who drew only small crowds on his trek across northern Italy to Venice.

It was also an embarrassment for the government of Romano Prodi, which has scorned Mr Bossi's calls for a "republic of Padania" but avoided holding unity rallies. Mr Fini accused Mr Prodi of falling asleep while at the helm of the ship of state. "The Prodi government is like the sleeping beauty ... It's significant that only the National Alliance felt the need to organise a rally like this, because in other countries the response to the secessionist delirium would have been organised by the government."

Right-wing mayors, many of them from the south of the country, which Mr Bossi branded a burden to the nation, delivered patriotic messages before Mr Fini spoke.

He drew the biggest cheer when he said the only people in Europe favouring the break-up of Italy were Nazi-inspired Bavarians who dreamed of a Europe dominated by Germany. He also struck a chord when he said it was time for the authorities to rein in Mr Bossi after he called for the creation of a militia.

At the general election in April the National Alliance won 15.7 per cent of the vote to become Italy's third-biggest party is part of the main opposition centre-right alliance.

For the rest of Italy, and the rest of the world, the League's antics in Venice seem no more than another of Mr Bossi's outrageous provocations. But the events of the weekend leave Rome with the dilemma of how to stop the mass movements Mr Bossi has set in motion. On a strictly legal basis, his recent actions are criminal. Moves to split Italy are banned by the Constitution, and formation of a private army carries a 10-year prison sentence.

The only option now is sweeping reform but it remains to be seen whether the political machinery in Rome can achieve this before Mr Bossi and his followers push what is still a peaceful protest movement into something more sinister.

A new kind of mortgage with the Woolwich

An average fixed rate of 6.33% (6.9% APR) over three years.

Year 1 (gross pa)	5.99% (6.9% APR)
Year 2 (gross pa)	6.25% (6.9% APR)
Year 3 (gross pa)	6.75% (6.9% APR)

We're proud to announce a brand **new kind of mortgage** from the Woolwich: the Woolwich Stepped Fixed Rate Mortgage.

It's designed to give you all the benefits of a 3 year fixed rate mortgage, but stepped rates mean that you get a deal you will find hard to beat.

So if you are worried about unpredictable rates, find out why in a changing world it's good to be with the Woolwich.

Call in to your local Woolwich branch to have a chat with our mortgage adviser or call us free anytime on 0800 400 900 quoting ref: IQ169.

http://www.woolwich.co.uk/woolwich

It's good to be with the WOOLWICH BUILDING SOCIETY

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

Loans are limited to 95% of the Society's valuation of the property (90% remortgages). The rates are variable and the APR is variable and typical and calculated on the assumption that the fixed rate of 6.99% (fixed from 01.10.96) will apply for the full term of the loan, however after 01.10.99, the Society's prevailing standard variable mortgage rate will, in fact, apply. These terms apply only where a written offer of advance was issued on or after 12.10.96 and the mortgage completed by 31.01.97. Typical example, based on a mortgage endowment rate of 5.99% until 01.10.97, 6.25% from 01.10.97 to 01.10.98 and 6.75% thereafter (6.9% APR) and a purchase price of £90,000. A couple taking out a mortgage of £65,000 over 25 years (where the amount of the advance is 72% of the Society's valuation of the property) would pay interest of £324.46 (gross) per month until 01.10.97, £338.95 (gross) per month from 01.10.97 to 01.10.98 and £365.63 (gross) per month thereafter (25 payments). Accrued interest £162.23. Valuer's Fee £175.00. Application Fee £195.00. Solicitor's mortgage charges £100.00. Deeds Administration Fee payable on redemption £50.00 and a single repayment of capital of £65,000. Total amount payable £136,007.87 (6.9% APR). The example assumes that the mortgage starts in the middle of the month, a minimum guaranteed death benefit of £65,000 and term of 25 years for the endowment policy. A first charge over your property will be required as security for a mortgage. For loans other than repayment loans, a suitable endowment policy, PEP or pension plan will also be required. A suitable level term assurance policy will also be required for PEP or pension plan mortgages. Where the mortgage exceeds the Society's normal maximum percentage advance of 75%, additional security will be required, for which a Higher Percentage Advance Fee will be payable. If the mortgage is either redeemed (in full or in part) or transferred to another scheme before the fifth anniversary of the date on which interest is first charged in respect of the mortgage, a redemption fee equivalent to the savings made as a result of the discount will be charged. The redemption fee will be subject to a maximum charge equivalent to 6 months' interest calculated at the rate payable at the time of repayment. All mortgages are subject to status and valuation and a minimum age of 18. A written quotation is available on request from any branch or from Department 15, Corporate Headquarters, Watling Street, Bexleyheath, Kent DA6 7RR. Woolwich Building Society represents only the Woolwich Marketing Group, which is regulated by the Personal Investment Authority for life assurance and unit trust business. SPR1

Budapest and Bucharest bury differences over Transylvania

Critics dismiss a 'sell-out' to win EU entry. **Adrian Bridge reports**

Budapest — Timisoara, the town that provided the spark for the 1989 Romanian revolution, will today play host to another piece of history: the signing of a long-awaited bilateral treaty between Hungary and Romania.

Billed as a treaty of "reconciliation and friendship", the document aims to end decades of mutual animosity while at the same time boosting both countries' chances of joining Nato and the European Union.

Under the terms of the treaty, Budapest is to renounce any claim to Transylvania, the territory it ruled as part of the Austro-Hungarian empire up to the end of the First World War. Romania has agreed to guarantee a range of rights to its large ethnic Hungarian minority.

Western officials have joined the governments of both countries in hailing the move as a breakthrough and an important step towards enhancing stability in the region. "The treaty will benefit both nations as well as Europe," the Romanian President, Ion Iliescu, declared earlier this month. Robert Hunter, the US ambassador to Nato, put it more bluntly: "It is now impossible for Hungary and Romania to go to war."

For all that, critics have denounced the treaty as a sham, a meaningless piece of paper which instead of genuinely seeking to settle old scores is designed simply to curry favour with Nato and the EU, institutions that both Budapest and Bucharest are desperate to join.

Romanian nationalists, who have long accused Budapest of harbouring territorial designs on Transylvania, have argued that it gives away too much. Hungarian nationalists, who still curse the 1920 Treaty of Trianon under which the country lost two-thirds of its territory, say it gives away too little. Meanwhile, members of Romania's 1.6 million-strong ethnic Hungarian minority – the very people whose rights the treaty is supposed to enshrine – have accused Budapest of a sell-out.

"It is clear that the treaty was signed under pressure from foreign countries," said Laszlo Tokes, the ethnic Hungarian priest who sparked the 1989 Timisoara protests and who is now a leading spokesman for the ethnic Hungarian cause in Romania. "But although it may look very good, it is totally lacking in substance."

After more than 70 years under Bucharest, ethnic Hungarians in Transylvania protested that they were victims of successive policies of assimilation, the end aim being the erosion of their Hungarian identity. Rather than ending with the downfall of Nicolae Ceausescu in 1989, moreover, they say the process has carried on unabated.

For the ethnic Hungarians of Romania the only acceptable solution would have been extensive autonomy in the regions where they constitute a majority. But that was totally unacceptable to Bucharest.

In the treaty to be signed today, the issue has been fudged. Whereas it contains a host of regulations on minorities as laid out by bodies such as the United Nations and the Council of Europe, it also includes a footnote ruling out any form of collective rights or territorial autonomy along ethnic lines.

But for all its imperfections, others see it as a step in the right direction. "The treaty was a compromise and in a compromise you never end up with what you really want," said Gabor Szentivanyi, the Hungarian foreign ministry spokesman. "They may be limited, but after today ethnic Hungarians in Romania will have more rights that they do at the moment."

Leading article, page 11

Chess sisters sweep the board

Local heroes
Zsuzsa, Zsofia and Judit Polgar

Budapest — Take a child, girl or boy – and set it to work at the age of three. Forget conventional schooling and pick a specialisation by the time they reach six. Work hard, praise generously and be patient. With any luck, the result should be a genius.

When Laszlo Polgar first propounded his unconventional educational theories more than 20 years ago, most Hungarians thought him slightly unhinged, and he quickly found himself coming into conflict with the Communist authorities.

But that was before Zsuzsa, the oldest of Mr Polgar's three daughters, began sweeping the board at almost every chess tournament she entered, rising to become the world's first female grandmaster. Then Zsofia, the second of his daughters, began clocking up a host of trophies in her own right.

Judit, the youngest of the three girls, sent any doubters packing once and for all. A polyglot like her sisters, Judit displayed an even more prodigious talent for chess. At eight she could beat masters blindfolded. By 14 she was challenging to become the first woman to win a national men's title and at just 15 years and five months, she became the youngest ever grandmaster, beating a record set 33 years earlier by the legendary Bobby Fischer.

"Judit Polgar is a national treasure," says Pal Benko, a former Hungarian chess champion who, like most of the country, has followed her progress with awe. "She is an aggressive, brilliant, attacking player. She is dangerous. She does not play chess like a woman."

Not surprisingly, most of the adulation has fallen on Judit, who at 20 stands at number 18 in the men's world rankings and who will be competing for the Hungarian men's team in the Chess Olympiad opening in Armenia at the end of this week.

But Zsuzsa and Zsofia – respectively numbers one and seven in the women's world rankings – have also fired the imagination in a country where chess is played with a passion akin to that in Russia and where large public chess boards are to be found in parks and swimming pools.

According to Mr Polgar, the decision to specialise in chess was almost accidental, resulting from the fact that as a baby, Zsuzsa had always enjoyed playing with chess pieces. But once chess was chosen, it dominated a demanding routine that included physical activity, culture, languages and even humour.

Prodigies: The Polgars – winning in a man's world Photograph: Rex Features

Mr Polgar wanted to disprove the idea that chess was a sport at which women were intrinsically less able than men. It was always going to be an uphill struggle. The Hungarian Chess Federation for years opposed the three girls competing in men's tournaments. Top players such as world champion Gary Kasparov dismissed the Polgars as "trained dogs" who, like all women, lacked the physical and psychological stamina to beat the very best of the male world.

To date, Judit Polgar has yet to defeat either Kasparov or his great rival Anatoly Karpov, but scalps she has claimed include former world champion Boris Spassky and British champion Nigel Short, and she is seen as one of a small handful of players who could capture Kasparov's crown.

Whether she does or not, Judit and her sisters have succeeded in forcing a fundamental reappraisal of the role of women in chess. As one Polgar fan put it: "Twenty years ago no leading men's player would ever feel threatened in a game against a women. Today many do and it is now no ignominy to lose to a women. The Polgars have led the way."

Adrian Bridge

هكذا من الأصل

هكذا من الاصل

Crisis in the Gulf: US build-up in Kuwait stalled as Saddam stops short of further aggression

America holds fire as Iraq plays safe

RUPERT CORNWELL
Washington

Facing apparent reluctance by Kuwait to accept a further 5,000 US troops on its soil, unease among several other regional allies, and a more conciliatory stance from Saddam Hussein, the United States appears to be drawing back from new and large-scale retaliatory strikes against Iraq, at least for the time being.

Speaking on NBC's *Meet the Press* yesterday, Madeleine Albright, Washington's ambassador to the UN, said that despite its menacing forces build-up in the Gulf, the US would not be pressed into "overreacting" against Baghdad. Of Saddam, she said, "it looks as though he's not going anywhere".

Her remarks came as Kuwait pondered whether to agree to the despatch of a further 5,000 US ground troops, at the very moment that William Perry, the Defense Secretary, was in the emirate, part of a tour of the region to drum up support among the former Gulf war allies for tough reprisals against Saddam.

The men had been due to leave their base at Fort Hood, Texas, on Saturday but officials said it was now unclear when they would go – indeed whether they would go at all.

President Clinton's senior advisers sought to play down Kuwait's hesitancy, saying that the delay on the part of the country which the US saved from Saddam just five years ago was part of a "normal decision-making procedure," and expressed confidence that formal permission would soon be granted.

But the episode only underlines the deep unhappiness among key US allies at the latest turn of events, and the changed political landscape of the region. Turkey has refused to allow strikes to be launched from its bases, while Mr Perry's stop in Saudi Arabia was passed over in virtual silence by the local media – reminders of how growing Islamic fundamentalism is making both countries wary of any public embrace of the US and its policies.

On the ground too, the situation was calm at the weekend. The Iraqis fired no missiles against patrolling US warplanes and, according to the Joint Chiefs of Staff chairman General John Shalikashvili, have stopped repair work on the air defence sites damaged during the initial US cruise missile strikes earlier this month. But Gen Shalikashvili warned Washington was watching matters very closely. Further attacks, says the Pentagon, are "still a possibility".

Whatever the waverings of its partners, the US continues to keep up the pressure. The aircraft carrier USS *Enterprise* is now in the region, adding fresh air and missile power. Some reports also say Washington has warned Baghdad to remove its air defence systems from the southern no-fly zone or face fresh attack. Questioned on the issue, Warren Christopher, the Secretary of State, declined to comment yesterday.

■ Bahrain yesterday said it had agreed to host 23 F-16 US warplanes. The announcement followed talks between Mr Perry and Bahrain's Emir Sheikh Isa bin Sulman al-Khalifa and other ministers in Manama. "We will do what is necessary to protect our mutual security in this region and Bahrain and the United States stand shoulder to shoulder," Mr Perry said.

Signs of trouble: Demonstrators in San Francisco protest against last week's cruise missile attacks against Iraq. *The Internal Action Center says the US spends $50bn defending US interests in the Gulf* Photograph: Lucy Atkins/AP

Saddam's enemies prepare to run

The Iraqi opposition seeks friends in the West, writes **Patrick Cockburn**

Salahudin, Iraq — The smell of defeat was almost tangible in the headquarters of the Iraqi opposition at Salahudin in Kurdistan as they prepared to take flight to the Turkish border early yesterday morning in a bid to find political asylum in Western Europe or the United States.

"We expect death is coming," said Ahmed al-Nassari, a leader of the Iraqi National Congress, (INC) the umbrella group which once tried to unite all the opponents of President Saddam Hussein. "There are Iraqi agents everywhere."

There was a mood of fear and exhilaration in the forecourt of the former hotel where the Iraqi opposition had been based for four years. Some 250 young men, many of them clutching their submachine guns, were loading bags of belongings into 10 blue and white buses and two trucks, declaring that they would leave regardless of whether or not they got permission to go from their former Kurdish allies in Salahudin.

"We cannot abandon our weapons," said Mr Nassari. Outside, a young Iraqi said: "The KDP [Kurdistan Democratic Party] is just an arm of Saddam."

The several hundred Iraqi dissidents who have been crammed into their headquarters, from which they once ran a radio and television station, have every reason to be frightened. When Massoud Barzani, the leader of the KDP, briefly allied himself with Iraq to capture the Kurdish capital Arbil, some 100 members of the INC were cornered by Iraqi security and shot. Others were captured and are likely to be severely tortured and then executed.

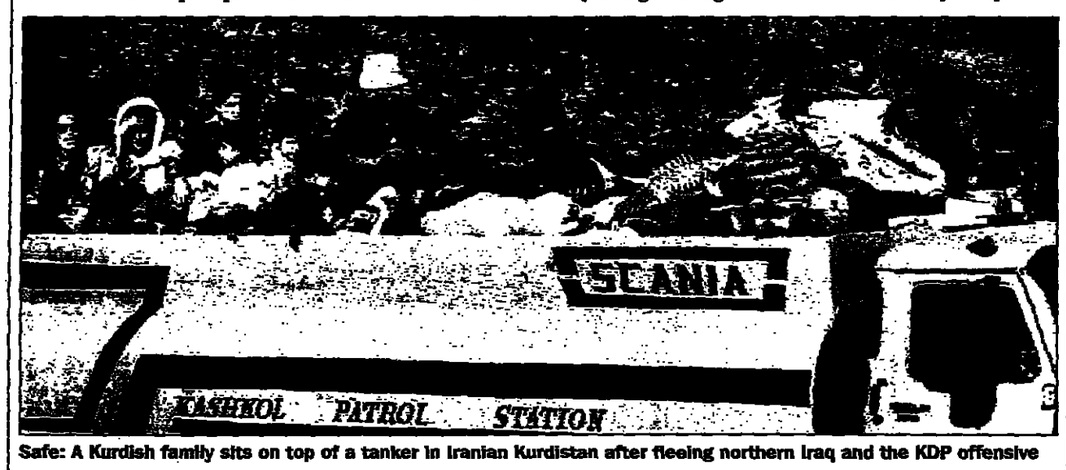
At the KDP headquarters further up the hill in Salahudin, the former resort where Kurds and Iraqi opposition have tried to co-exist, there was little sympathy for the INC. Sami Abd-al-Rahman, a senior member of the KDP leadership, said they were exaggerating their danger in order to get political asylum in the US. "I don't blame them," he added. "If you offered visas to the 20 million people living in Iraq, I don't doubt that 19 million people would leave."

This is much too harsh. The KDP were members of the INC and by allowing the Iraqi army into Arbil they were directly responsible for the slaughter of their former allies.

But relations between the two were already sour. The INC, led by Ahmed Chalabi, a former Iraqi banker, was part funded by the CIA, but never made up its mind about the sort of organisation it intended to be. This was partly because it united Iraqi Shia and Sunni Muslims, the warring Kurdish parties and a multitude of groups, each with its own foreign backers. Relations with the KDP had never quite recovered from a brief attempt to launch an offensive against the Iraqi army from Kurdistan in March 1995.

By midnight last night all former ambitions of the INC had disappeared in the desire to escape. "If we hear nothing from the Kurds we will simply go," said one Iraqi. Behind him was a large painting showing Saddam Hussein's victory monument in Baghdad, built after the Iran-Iraq war and consisting of two giant hands clutching sabres, collapsing in ruins before the rising star of the INC.

Permission to leave for Zakho on the Iraqi side of the border came at 3am and the Iraqis climbed aboard their buses. By daybreak the headquarters was deserted except for 25 Kurds who had acted as guards and been left behind. "Of course we wanted to go too," said one, called Nikad Salim. "But I think they betrayed us."



Safe: A Kurdish family sits on top of a tanker in Iranian Kurdistan after fleeing northern Iraq and the KDP offensive

Aid workers reveal hidden famine stalking the fields of North Korea

RICHARD LLOYD PARRY
Songbong, North Korea

A year after devastating floods drove the government of North Korea to make an unprecedented appeal for outside aid, United Nations officials believe that the food crisis is worse than ever and that they are seeing the early signs of an "African-type" famine.

Until recently, international organisations based in Pyongyang, including the UN Development Programme, World Food Programme, and the International Red Cross, emphasised that, although the food situation was serious, it could not be called a famine. But new information indicates that in isolated regions of the country the situation is acute. For the first time, they are talking of a "silent famine", growing progressively more serious.

The worst of last summer's flood damage was concentrated in the southern part of North Korea and, until recently, the Pyongyang government allowed aid and charity workers access only to these areas. UN agencies have launched appeals, and millions of dollars in food, blankets and fuel have been distributed. The government appears to have made strenuous efforts to keep urban areas well supplied; in the north-eastern cities of Rajin and Songbong, where hundreds of foreign delegates have gathered for a forum on the state's first free-trade zone, the freshly painted shops are full of pristine fruit, vegetables and fish, and the people appear healthy. But in the past few weeks, aid workers have been allowed into the more remote northern province of Chagang; the conditions they describe are the worst so far witnessed by outsiders.

Some children have been seen suffering from the bloated belly common to famine victims in Africa, which indicates severe malnutrition. In certain areas of Chagang, the food ration has been reduced to 150 grammes of rice a day. Shortages of fuel oil appear to have brought industry to a virtual standstill.

"It's an African situation," one aid worker told *The Independent*. "There are rusty cranes lying around, buildings washed away, the houses have flapping plastic sheets instead of windows. The people look ... in no fit state to be working in fields."

Analysts are increasingly sceptical of the Pyongyang government's insistence that, despite its appeals for help, its fundamental system of collective agriculture is sound and the present problem is a temporary consequence of the floods.

"The floods were the best thing that happened to North Korea because they allowed them to ask for help without admitting that their system is ... flawed," said Gordon Flake, director of research at the Korea Economic Institute of America. "It's a loin cloth to shield themselves from the world community."

The government has been inconsistent in its attitude to the foreign agencies, but officials report a new spirit of co-operation. "They're talking more and more about making structural changes, not just fixing the flood damage," said a foreign worker. "The question is, will they be able to pull it off before the whole place grinds to a halt?"

■ Rajin (Reuter) — North Korea's biggest experiment with capitalism bore its first fruit yesterday as foreign businessmen clinched $282m (£183m) in deals with the isolated Stalinist state. Foreign executives also initialled letters of understanding to explore other deals worth $840m, North Korean officials said.

SWIFTCALL

call OZ for only 20p per min

24 hours a day • 7 days a week

for details call 0800 279 0800

FANTASTIC PRICES AT ALL TIMES

20p per min: Australia, Canada, Ireland, Germany
40p per min: Hong Kong, Singapore, Japan, Taiwan
60p per min: South Africa, India, Brazil, Israel

★★★★ FREEPHONE access to our exchange
★★★ Pre-payment ensures no bill worries
★★ Can be used from any tonephone
★ No fuss-quick and easy connection

PLEASE HAVE YOUR CREDIT CARD READY
OPERATORS ARE STANDING BY 24HRS A DAY
7 DAYS A WEEK READY TO TAKE YOUR CALL

USA ONLY 10p per min

MEXICAN CHILLI CON CARNAGE.

Ingredients:
For this you need one eighteen year old girl and several policemen.

Method:
Blindfold girl. Rape. Apply electric shocks to nipples. Push head into vat of water. Force carbonated water and chilli powder up nose. Beat till tender.

This happened to an 18 year old girl called Julieta. She was later freed without charge.

In Mexico today human rights are cheap.

Torture is common. 'Tehuancanazo' is forcing fizzy water up the nose. Half-suffocating someone with plastic bags is called 'la bolsita'. Holding someone's head underwater is 'pozole'.

The electric shock batons which are often used on prisoners are openly made in Mexican factories and exported to torturers all over the world.

We want our government to stop this disgusting trade. Please help by joining us, or donating.

It may not seem like much, but we couldn't exist without the support of people like you.

What is Amnesty International but thousands of people just like you who are not prepared to look the other way when people are being tortured.

The question each of us must ask is not just 'How can I help?' but 'How can I live with myself if I don't?'

Please join us or make a donation today.

I want to be a member of Amnesty International. Here's my membership fee:
£21 Individual ☐ £27 Family ☐ £7.50 Student ☐
Under 22 ☐ Claimant ☐ Senior Citizen ☐
I wish to donate £500 ☐ £250 ☐ £100 ☐
£50 ☐ £25 ☐ £10 ☐ Other _____
Please charge my Access/Visa/MasterCard number:
☐☐☐☐ ☐☐☐☐ ☐☐☐☐ ☐☐☐☐
Total _____ Signed _____
Card valid from _____ Expiry date _____
If you are paying by credit card, please give the address where you receive your credit card bill.
Mr/Ms _____
Address _____
_____ Postcode _____
If you do not want to receive information about mailings from sympathetic organisations please tick this box ☐
To join or make a donation call F30
0345 611116
Calls are charged at local rates.
TO: DEPT. AA AMNESTY INTERNATIONAL UK
FREEPOST, LONDON EC1B 1HE
AMNESTY INTERNATIONAL

Bosnia elections: European delegation at odds with Americans and ballot organisers over success of first post-war vote

Observers critical of intimidation at polls

EMMA DALY
Sarajevo

Bosnia's first post-war elections passed off this weekend more peacefully than the West had dreamed possible, but the vote was marred by widespread intimidation and numerous irregularities – at least according to a delegation of European observers, whose critical assessment was sharply at odds with the satisfaction expressed by a visiting American delegation and by international officials who organised the ballot.

Counting began on time in the Muslim-Croat Federation, but was suspended in the Srpska Republic, the other half of Bosnia, because Serb officials misunderstood their role in counting refugee votes cast abroad – mostly Muslims expelled from Serb territory. The Organisation for Security and Co-operation in Europe (OSCE), which organised the vote, said the problem had been resolved, but admitted some Serb areas would not count the vote until today – when the first results are expected.

The Muslim SDA party filed a complaint about conditions in the Srpska Republic even before the polls closed, but the complaint was dismissed as "very vague in nature" by Richard Holbrooke, the American author of the Dayton peace plan and these elections. He admitted that his delegation had visited only 20 or 30 polling stations, saying: "We did not see things to disqualify the process."

He did cite one exception – a Serb-held area in Gorazde, where Serb officials used several tactics to slow the Muslim vote.

The chief election monitor, Ed Van Thijn, is to issue a report today on the fairness or not of the election, but given the international desire for a happy outcome, few expect a negative report. "The show must go on," one Western diplomat said.

However, a delegation from the European Union led by a German, Doris Pack, issued a strong criticism of the process. Asked whether she thought Mr Van Thijn would rule the elections "free and fair", Ms Pack replied: "I'm sure you cannot use those two words." She too cited Serb Gorazde, where by midday 10 times more Serbs than Muslims were able to vote. Ms Pack referred to the Holbrooke delegation's early assessment as "superficial".

Despite the fact that the elections were supposed to reverse the effects of ethnic cleansing by allowing Muslims to vote in their home towns, the result was a kind of apartheid, with separate polling stations set up for Serbs and Muslims in many areas. In several cases, Muslims were forced to queue for hours while Serb stations nearby were almost empty. And because of errors in OSCE transcriptions of electoral registers some voters were unable to cast a vote.

Thousands of Bosnian Muslims expelled from their homes in the war did not vote because they had not registered as absentee voters in their home towns and were unwilling to cross the old front lines to cast a ballot in person. Despite the provision of buses to take voters to polling stations in Serb-controlled areas, many voters were simply too frightened to make the journey.

The violence feared by Carl Bildt, who leads the civilian mission in Bosnia, and Nato commanders here, did not materialise. "We were prepared for the worst and we had a day that could be described as dull. We were dreaming of a dull day," he said.

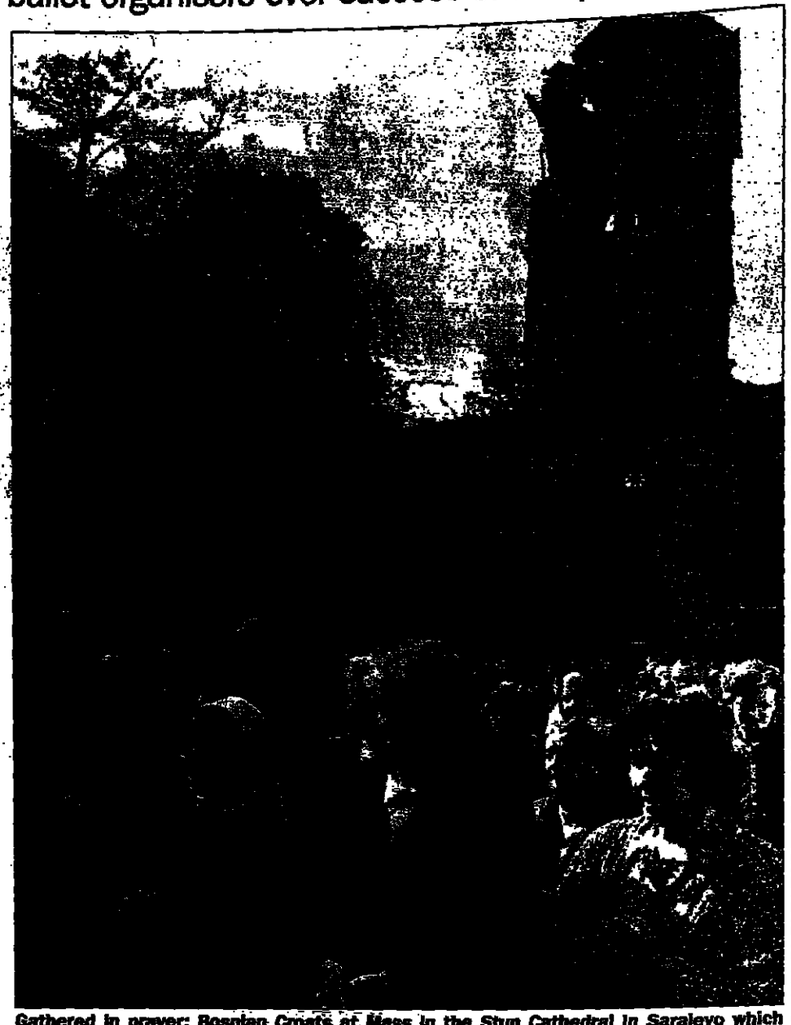
But violence in the run-up to elections deterred many from voting. The elections were allowed to proceed despite the fact there is nothing like freedom of movement across the old front line, no freedom of the press, of assembly and of expression in the Srpska Republic, and that such freedoms are limited in the Federation.

Tales of the unexpected

Tales of the bizarre and [illegible] country. The commission [illegible] the war to vote [illegible] planned to settle – a [illegible] who used it to distribute [illegible]

One observer said [illegible] held Sircko positioned [illegible] lims from Srebrenica was [illegible] dirt road. A third was 250 [illegible] contained Muslim bodies [illegible]

An OCSE observer found Serb [illegible] off the electoral register with [illegible] ing tape being pulled [illegible] humid conditions made it [illegible]



Gathered in prayer: Bosnian Croats at Mass in the Stup Cathedral in Sarajevo which was destroyed in 1992 at the start of the ethnic conflict Photograph: Jacqueline Arzt/AP

Clinton and Dole debate taking on Perot

RUPERT CORNWELL
Washington

With 10 days to go to the first scheduled candidates' debate, the campaign teams of Bill Clinton and Bob Dole must this week resolve a key question: whether or not Ross Perot should be allowed to take part.

Negotiators seek this week to finalise a format and schedule for the debates, the best – and arguably the last – chance for Mr Dole to erode the President's lead in the polls.

Technically, Mr Perot's inclusion will be determined by the bipartisan Commission on Presidential Debates, according to various criteria. In fact it is an exquisitely political decision that must ultimately be settled in a deal between the Dole and Clinton camps.

The underlying assumption is that the billionaire Texan, this time running for the Reform Party, will split the anti-Clinton vote and make the President's re-election even more likely. The Republicans, therefore, want to keep him out: for exactly the same reasons Mr Clinton's advisers want Mr Perot in.

Thus far the haggling has got nowhere, while the commission's rules send mixed signals. On the basis of his 1992 performance, when as an independent he won 19 per cent of the vote, Mr Perot is receiving $30m (£20m) of federal funds for his campaign. He is on the ballot in enough states to have a chance of a majority in the electoral college.

On the other hand, to qualify for the debates a candidate must be generating "significant national enthusiasm or concern". Mr Perot is languishing at 5 per cent or so in the polls, and what "national enthusiasm" exists has not exactly been fired by his choice of running-mate, the little-known economist Pat Choate.

And, say Republicans, if Mr Perot, then why not Ralph Nader, the consumer activist and Green Party candidate who is also on the ballot in many states? More pertinently, Mr Nader would probably draw votes from Mr Clinton, especially in California. Mr Nader says he should be included because he is "well known". But if he is, other fringe candidates like John Hagelin of the Natural Law Party, are bound to demand they take part as well.

As matters stand, the first debate will be in St Louis on 26 September (put back from 25 September, because Mr Clinton addresses the United Nations the previous day). Thereafter, according to provisional dates, another will be held in St Petersburg, Florida on 9 October and a final one in San Diego on 16 October, sandwiched around a vice-presidential match-up on 12 October in Hartford, Connecticut.

The Dole camp would prefer four hour-long debates instead of three 90-minute ones. Anxious to cash in on the popularity and speaking skills of his running-mate, Jack Kemp, the Dole camp wants two vice-presidential debates. But that will probably be rejected by the Clinton campaign.

SIGNIFICANT SHORTS

Afghan government jets launched an air strike yesterday on the eastern city of Jalalabad, which was captured by rebels on Wednesday. The jets dropped bombs near a cluster of strategic buildings, witnesses and UN officials said. At least one of the jets dropped its load near the historic Winter Palace, where hundreds of rebel troops are camped out. Initial reports indicated five people were killed and at least three buildings were completely destroyed.

The assault came as the Taliban rebels, who control about two-thirds of the country, were increasing their push to the east, capturing Laghman and Kunar provinces on Friday and Saturday. *AP – Jalalabad*

The pro-Iranian Hizbollah faced a new setback in the final round of voting in Lebanon's parliamentary election after a low turnout yesterday in the eastern Bekaa valley. Soon after polls closed at 5pm local time last night the interior ministry said a preliminary count showed that about 37 per cent of the 410,000 voters had cast their ballots. The results were expected today. *Reuter – Baalbek*

Israel would rather strain relations with the US than concede too much to its Arab peace partners, the Israeli Prime Minister Benjamin Netanyhau said in an interview broadcast yesterday.

"Although relations with the United States is a strategic asset of utmost importance, it is not the supreme asset of the State of Israel," Mr Netanyahu told Israel Radio. "The supreme asset is our security. The supreme asset is things holy to us like Jerusalem." *AP – Jerusalem*

Malawi's Roman Catholic bishops warned the two-year-old government of President Bakili Muluzi that corruption was threatening the country's peace and security. Bishop Felix Mkhori, chairman of Malawi's bishops, read out a pastoral letter at a synod in the capital Lilongwe on Saturday cautioning that Malawi was degenerating into a society run on bribery. *Reuter – Lilongwe*

The United Nations today begins the most serious bid yet to end a border row that has brought Nigeria and Cameroon to the brink of war. A UN team is due to meet the Cameroon President Paul Biya at the start of an assessment mission into the dispute over the Bakassi peninsula in the oil-rich Gulf of Guinea. *Reuter – Yaounde*

ROLEX of Geneva

GOLDSMITHS:
Aberdeen · Bath
Brighton · Canterbury
Chelmsford · Cheltenham
Chester · Esher
Gateshead · Guildford
Harrogate · Leicester
Llandudno
London Bishopsgate
Nottingham · Torquay
Wakefield
Weston-super-Mare
Wigan · Wilmslow
NORTHERN GOLDSMITHS:
Newcastle-upon-Tyne
WALKER & HALL:
Altrincham · Cardiff
Dudley · Ilford
Leicester · Lincoln
Middlesbrough
Newcastle-upon-Tyne
Nottingham · Oxford
Sheffield · Stirling
Thurrock · Woking
ALFRED CHILLCOTT & CO:
Bristol
GREENWOOD JEWELLERS:
Leeds
GEO ATTENBOROUGHS:
London
BRACHER & SYDENHAM:
Reading
GEO FARRER LIMITED:
Tunbridge Wells
FATTORINI & SONS:
Bradford · Sheffield
ROBINSON:
Shrewsbury
MUNSEY & CO:
Cambridge
STRADLINGS:
Cirencester
J A HASKELL:
Ipswich

There are only so many official Rolex jewellers.

How come so many of them are ours?

Rolex are as uncompromising in their selection of Official Rolex Jewellers as they are in the manufacture of the timepieces themselves.

With our huge nationwide chain including Walker & Hall, the Goldsmiths Group is probably the country's leading chain of quality jewellers.

It all began in 1919, when Goldsmiths were appointed as Britain's first Rolex jewellers.

Today, every Goldsmiths jeweller still jealously guards his reputation for outstanding quality and service. Rolex is available at the branches listed above. Only so many jewellers will ever earn the right to sell a Rolex.

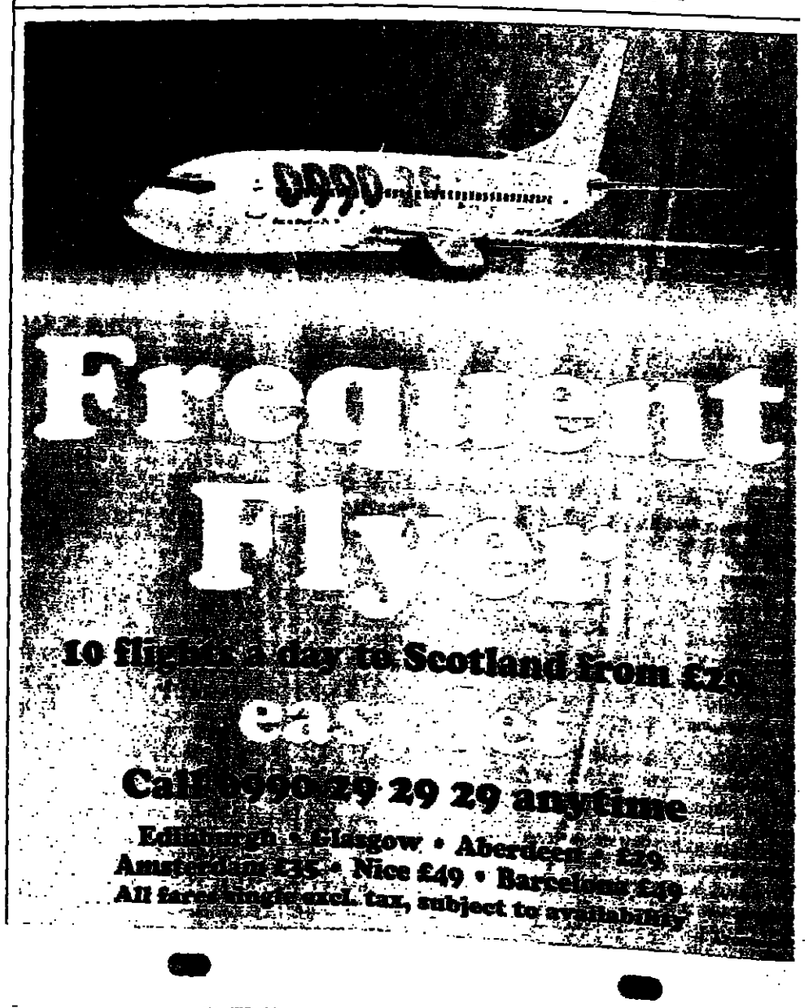
And only so many people will ever own one.

You perhaps?

G·O·L·D·S·M·I·T·H·S W·A·L·K·E·R & H·A·L·L

The first officially appointed Rolex stockists in the UK.

Illustrated: Rolex Oyster Perpetual Datejust Chronometer in stainless steel £1,810. Rolex Oyster prices start at £1,300. For more information about your local jeweller, please call 0800 220 733.



هكذا من الأصل

هكذا من الاصل

Nato must tread warily in Transylvanian gloom

Border disputes and quarrels over ethnic minorities have bedevilled central and eastern Europe since the demise of Communism. Ancient rivalries and suspicions that were barely contained in the age of the one-party state were suddenly exposed after 1989 for all to see. Just how explosive these passions can become was demonstrated by the bloodletting in former Yugoslavia. But even if the rest of the region has avoided outright war, many territorial and ethnic problems remain unsolved, poisoning the civic atmosphere and stunting the development of democracy.

All the more reason then, it would seem, to welcome the friendship treaty that Hungary and Romania are to sign today in the western Romanian city of Timisoara. On the face of things, the treaty finally buries one of this century's most intractable European disputes by recognising the present Hungarian-Romanian frontier and by offering guaranteed rights for Romania's ethnic Hungarian minority, settled largely in the province of Transylvania and estimated to number at least 1.6 million. If the treaty's fine words are translated into reality, it will represent a reconciliation as historic in central and eastern European terms as was the Franco-German rapprochement for Western Europe after 1945.

It is, however, a big if. Neither Hungary nor Romania conceals the fact that they negotiated the treaty largely to enhance their chances of joining Nato and the European Union. Nato, in particular, made clear last year that it would not admit any country that had unresolved territorial or political quarrels with its neighbours. Since Hungary and Romania yearn for the security that they believe Nato membership would bring, they were ready to reach almost any bilateral agreement in order to boost their prospects of joining the Atlantic alliance.

Whether the treaty will really improve the quality of life for Romania's ethnic Hungarians is debatable. Hungary signed a similar treaty last year with Slovakia, which is home to almost 600,000 ethnic Hungarians, but conditions for that minority have hardly changed. The old problems over educational, cultural and linguistic rights have not gone away. In Romania, where the state's treatment of the Hungarian minority has been substantially more repressive than in Slovakia, there is every reason to suspect that ethnic Hungarians will continue to suffer discrimination. That in turn will encourage the Hungarian government to maintain the active interest in the minority's fate that Romania interprets as preparing the way for the dismemberment of the Romanian state.

None of this is to say that the two governments are wrong to sign the treaty, or that the document is merely a massive exercise in political deception. The treaty should provide a yardstick against which to measure the performance of the Romanian authorities in respecting ethnic Hungarian rights. If they fail to honour their commitments, they can be held to public account. Moreover, Romanians and Hungarians are not doomed to be eternally hostile to each other, any more than French and Germans. The treaty is being signed in Timisoara precisely to remind Romanians and Hungarians of the way that they combined forces in December 1989 to overthrow Nicolae Ceausescu's dictatorship.

However, the spirit of inter-ethnic co-operation that came alive in that popular revolt proved to be short-lived. Romanians and Hungarians fought violent clashes in the city of Tirgu Mures in March 1990. The subsequent rise to power of the Romanian ultra-nationalist Gheorghe Funar in Cluj, capital of Transylvania, further increased tensions between the two nationalities. Romania's political culture is permeated with anti-Hungarianism to such a degree that a treaty can cover it up but not eradicate it.

There lies the nub. Lasting stability in Hungarian-Romanian relations requires a thorough change of outlook, a conscious shift to tolerance, on the part of politicians and others active in public life. Cynics may say that such changes are impossible in central and eastern Europe. Yet they have taken place in Poland, whose post-1989 democratic governments have taken great pains to ensure the rights of an ethnic German minority in Upper Silesia whose very existence was denied under Communism. Another new democracy that handles minority issues sensitively is Slovenia, whose achievement is all the more considerable when placed against the shameful record of its former fellow Yugoslav republics, Croatia and Serbia.

It is partly for these reasons that Poland and Slovenia are well placed to be among those countries to which Nato will issue membership invitations next year. Hungary and Romania present more complicated choices. Despite today's treaty, it seems unlikely that Nato will admit Romania in its first wave of enlargement. Not only does Romania have unresolved border disputes with Ukraine, but doubts remain about its human rights record, as exemplified by a law last week that confirmed homosexuality as a crime punishable by imprisonment.

Yet if Romania remains outside Nato, and Hungary is brought in, Nato might easily become entangled in the Hungarian-Romanian dispute. The alliance's obligation to protect Hungary could prompt Romania to seek allies elsewhere – even, reluctantly, Russia. Europe would then have a dividing line down its middle of exactly the kind Nato is trying to avoid.

To avert such risks, it is essential that today's treaty does not remain just a piece of paper. Romanian-Hungarian reconciliation will be a long and difficult process, but on it depends the stability of central Europe and the credibility of Nato's plans for expansion.

ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 2435 / 0171-345 2435

Time to get rid of this hangover

Restrictions on pub hours are an anachronistic intrusion by government into social life. Pubs shut too early in the evening when people want to stay out, and in the afternoons when they just want to hang out. Chief police officers argue that the antiquated pub curfew, a hangover from the First World War, is detrimental to good public order.

Some may wonder (*vide* Tony Adams' sad but honest admission of alcoholism) whether we Brits are sensible enough about drinking to be allowed to choose when we do it. But crying "time" at 11pm would not have prevented Tony boozing any more than it rids the roads of drink drivers.

• LETTERS TO THE EDITOR •

Scots made a fortune out of the Empire

Sir: It seems I've been reading a number of bad-tempered articles from Scots on the subject of independence in the paper recently. The latest, from Sir Alastair Dunnett ("Let's say goodbye to Britain", 12 September) parades the usual, tedious, anti-English sentiment and, worse, a casual rewriting of history.

He says that "in the past we [Scots] have been dragged into imperial adventures", yet Scots helped build the Empire, were an integral part, and played that part with relish, carving out personal fortunes. If, on his travels, Sir Alastair hears "no ready animosity expressed about Scotland", perhaps that is because the part that Scots played in the "oppression" of other nations was done so under the umbrella of Empire.

Modern historians such as Linda Colley have documented the huge numbers of Scots who took advantage of the Empire to make a living. To suggest that we are somehow morally superior to the English, as the likes of Sir Alastair do, is a gross self-delusion. As far as people like him are concerned, "Our nationalism is a wonderful expression of our national character, yours is dangerous and xenophobic."

And what exactly does Sir Alastair mean when he says that "the name of Scotland has largely disappeared"? He speaks of Scots as if they were the subject of ethnic cleansing. Look at the media. Look at sport, and politics, and every other walk of life, and there we are, in our various accents, accepted by our English neighbours without rancour.

Underlying all arguments for independence is this notion that Scotland is a nation. Yet what do I, as a lowland, urban Glaswegian, have in common with a Gaelic-speaking Highlander? Or a Shetlander, who genetically is probably closer to a Norwegian? Don't I have more in common with my Irish ancestors? Aren't Lowland Scots often cousin to the northern English? Hasn't one of the major lessons of the 20th century been that borders are arbitrary?

If any of the major parties are serious about democracy, which is more important than any "nationalism", then they should look to devolving power as far down the system as possible, to local government structures, beyond regional assemblies and Scottish and Welsh parliaments. But I see no evidence of any commitment to real democracy, and as long as we have to listen to the spiteful rhetoric of nationalists, calls for meaningful democracy will go unheard.

TONY MULHOLLAND
London W11

Sir: I was saddened to read Sir Alistair Dunnett's assessment of the English in his call for full-blown Scottish independence.

As an Englishman resident in Glasgow, doomed to remain a foreigner until I leave, I find there are questions in my heart concerning the racial stereotyping put forward by Sir Alistair. How can I respond to the claim that we believe that "everything English is right and anything else is a foreign aberration" when I have never believed in such nonsense for one moment? Or that "the English have stirred up animosity for themselves everywhere," when I and others like me have come to Scotland with the desire to take a part in this country's development without any assumption of superiority?

It would be foolish and wrong in my view to say "the Scots are ..." as such generalisations inevitably lead to offence. Why then must I learn that I am arrogant and have nationalism in my bloodstream? And what role will I have in a newly independent Scotland? Perhaps just a member of an unwelcome ethnic minority?

I wish Scotland well, and only regret that there seems no place for me in the brave new world.

MARK RICHARDS
Glasgow

Sir: As one who was educated at a Scottish university, lived in Scotland for many years and married a Scotsman, I read Sir Alastair Dunnett's article with some amazement. The nation of paragons living in the northern regions of these islands obviously moved in recently. They are, to use Sir Alastair's own phrase, "a truly remarkable people".

The Scotland in which I lived was inhabited by a different race entirely, who had enthusiastically joined the English and other nations in butchering and oppressing the native peoples of North America, Australia, New Zealand, etc. Their relations were among the most rabid unionists in Ulster. They wrote "Remember 1690 – no surrender" on the walls of Scottish cities. The Scots I knew were born knowing that to be a Scot was to be superior to every other nation.

They were, however, a well educated, intelligent and entertaining people, admirable despite or even because of their faults. I am sorry to see these rugged individualists replaced by the somewhat sleekit new inhabitants described by Sir Alastair.

There may be little animosity towards the Scots in Europe but this could be due to ignorance rather than any positive reason. I don't suppose there's much animosity towards Liechtenstein.

MARGARET JONES
E-mail: jonesm@wax.ox.ac.uk

Sir: The growth of a specifically Scottish sense of national identity could all too easily engender an equivalent growth of an English sense of identity, such as does not now extend much beyond sports fields.

The Scots have peacefully taken their place in all areas and levels of economic and social life in England, and nobody thinks twice about it. We have had Scottish prime ministers; the present Lord Chancellor and Foreign Secretary, the editor of my daily paper and my butcher are all Scots. Enormous numbers of us, born and bred in England, including me, have one or more Scottish parents or grandparents.

None of all this Scottishness is special or in any way resented; it is simply an element of our lives. It will be quite disastrous if this long-standing, unremarked and amiable intermingling comes to be thrown into question.

CHARLES MANTON
E-Mail: 100565.2430@CompuServe.COM

Jews were not in Palestine so long

Sir: Hyam Maccoby (Letters, 14 September) is in error to maintain that the Jews inhabited Palestine for 2,000 years before the arrival of the Arabs in the 7th Century. This would ignore the Joseph Saga and the Exodus.

The term "Jew" only comes into use after the fall of Israel to the Assyrians in 723 BC, and relates to the remaining tribe of Judah who lived for some periods around, and to the south of, Bethlehem.

He ignores the expulsion of the people of Judah by the Babylonians, when they were exiled to Babylon or fled east, west and south. Some did return at the time of Cyrus, but there was further depredation at the time of the Maccabees, and finally the Romans expelled all Jews from the area and demolished Jerusalem at the time of Titus.

Just because a group of people live in a particular place for various unconnected periods of time, does not give them permanent title. Such a notion would give the English the ownership of parts of Germany at the least, and the Welsh the ownership of England.

It was the fashion to create national homelands towards the end of the last century and that began modern Zionism. The Nazis, in the same vein, wished to have a homeland for the German people, and we know who had to pay for that fantasy.

It is tragic that some modern Jews persist with this modern ghetto to the harm of those who have lived in that land from the beginning.

I write as a grateful member of that Jewish family, the Christians.

Rev PETER M HAWKINS,
Bretton,
Cambridgeshire

Blue rag to a bulldog

Sir: I have just watched *The Last Night of the Proms* on the television, but I was appalled that during the singing of "Land of Hope and Glory" a few people had the effrontery to be waving the European Union flag, the symbol of our losing our sovereignty, and there it was again during "Rule Britannia".

Fortunately, when the cameras showed a wide shot in Hyde Park over the 25,000 happy people assembled, there was not an EU flag to be seen.

DAVID BEAGLEY
Ilfracombe,
Devon

Hard to swallow

Sir: I do not understand how the European Union can simultaneously ban the export of British beef on health grounds while permitting its consumption in this country. Are British lives more expendable than the lives of other European citizens?

DAVID SHAMASH
Wantage,
Oxfordshire

Jersey banking all above board

Sir: Your articles on 10 and 11 September ("Ex-MI5 man says tax law aids crime" and "A trillion dollars in dirty money keeps island tax havens afloat"), while acknowledging that Jersey is one of the more reputable offshore centres, may be taken by the casual reader to imply that we have offshore banking secrecy laws, which are exploited by organised crime.

Banking confidentiality in the island is identical in its nature to that applicable in the UK, being based on case law there – in particular the judgment in *Tournier v National Provincial and Union Bank of England (1924)*.

Jersey has enacted numerous laws over recent years to enable assistance to be given to British and overseas authorities, to ensure that banking matters in Jersey are conducted with the utmost scrupulousness. Assistance is regularly provided in connection with drug money laundering, insider dealing, terrorist funds, serious fraud and so on.

Those seeking offshore banking secrecy or the abuse of confidentiality should look elsewhere.

Senator P F HORSFALL
President
Finance and Economics Committee
States of Jersey
St Helier

Bonus for diners

Sir: If the Labour Party introduces a decent minimum wage, will we be able to stop tipping in restaurants, with a clear conscience?

SEAN WOODS
London SW8

Job insecurity is not in the mind

Sir: As your leading article (13 September) rightly argued, for job flexibility to be successful, people need support from the Government. Unless their personal environment is secure enough they will not have either the ability or the opportunity to adapt and re-skill.

Which is why the Conservative government's policies are so disastrous in the new world of work. Ministers will not even acknowledge reality. On Thursday, the Chief Secretary to the Treasury, William Waldegrave, echoed his Cabinet colleague, Ian Lang, who maintained that job insecurity was just "a state of mind".

That flies in the face of all the evidence. Ministers may talk up falling figures on the unemployment register. But nobody believes the claimant count is a serious measure of the true state of unemployment, which is at least double.

Only last week the small print of the Labour Force Survey revealed that huge numbers had just "disappeared" from the official totals. Whereas unemployment in Britain fell from its peak in December 1992 by 834,000, employment rose by only 441,000. So 393,000 workers have gone "missing" during the past four years.

Furthermore, there is a revolving-door economy, where well over half the people who leave the dole for a job will be back in the job centre within a year. Labour Force Survey figures show that an average of 57.7 per cent of people who became unemployed between October 1995 and January 1996 last claimed unemployment-related benefit less than 12 months previously.

Lord Scott's Report earlier this year accused Mr Waldegrave of "sophistry" and of "misleading" Parliament over arms to Iraq. Now he is at it again. The result is not simply a betrayal of millions trapped in the twilight world of job insecurity or long-term unemployment. It demonstrates that the Government is not serious about removing the biggest obstacle to a high-quality, flexible economy: endemic job insecurity.

PETER HAIN MP
(Neath, Lab)
Shadow Employment Minister
House of Commons,
London SW1

Country music best backwards

Sir: As a long-time country music fan I am alarmed that in the opinion of David Hargreaves and Adrian North ("Suicide link to D-I-V-O-R-C-E", 12 September) listening to these gloomy lyrics may lead to a rise in the suicide rate.

I trust that before the Government or the EU formulate a culling policy, you will seek a second opinion, possibly from that eminent doctor, country musician, songwriter, author and broadcaster, Hank Wangford (aka Dr Sam Huff).

Over the years, many of us have had our lives immeasurably enriched by nuggets of wisdom from the Wangford Hall of Pain. However, it is to another entertainer at the Edinburgh Festival in 1994 that I am indebted for the advice to "play your Country & Western records backwards. Your lover returns, your dog comes back to life and you cease to be an alcoholic".

PETER MEDWELL
Broadstairs, Kent

Post letters to Letters to the Editor, and include a daytime telephone number.
(Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

essay

Who will run Britain if Labour wins power?

They're busy lunching, sending out invitations, cementing friendships, jockeying for position. A would-be New Establishment is preparing for Tony Blair to take power. **Peter Popham** begins a major two-week series on those who could hold influence in the late Nineties

If Tony Blair wins the next election, he will not only bring us a new government set in a substantially new House of Commons, he will also come trailing a great penumbra behind him: a mysterious and shifting crowd of advisers and aides and spin doctors and sages, celebrities and plutocrats, artists and parasites and flatterers and plain hangers-on. After nearly 20 years of Tory government, there will be a mighty sea-change. Vacuums will suddenly loom, and, as is the way with vacuums, they will just as suddenly be filled. Elsewhere, in the Civil Service for example, or among the quangos which run so many of our affairs, change will be so much slower as to be almost imperceptible. But change will come: one by one the dinosaurs of the old regime will be replaced.

Blair has not won the election yet. But already the lineaments and many of the principal actors in the Blair Establishment can be identified. Many more are jockeying for position. Decisions being made now, reports being written, lunches being consumed, invitations being sent out, friendships being cemented and shattered, may, if Labour wins, help to mould the ways in which we are ruled for years to come. We, the electorate, will vote in a new government; this government in turn will install a new Establishment. Its membership and characteristics are therefore matters of the utmost interest and importance.

It is fair to ask whether the word "Establishment" is not too loaded and archaic to be applied to a party that has been out of office for two decades, and which, even when in power in the past, always found itself, in the words of one commentator, "outside the back door".

Even when applied to the Conservatives, there has always been something slippery about "the Establishment" as a concept. When, six years ago, Jeremy Paxman asked Enoch Powell about the Establishment, he replied: "I fear, young man, that you are hunting the snark." More helpfully, he went on to say: "The Establishment is unacknowledged power ... It is the power that need not speak its name."

Back in the early Fifties, when AJP Taylor first launched the term, he identified the Establishment perhaps too glibly with the upper and upper-middle classes. "In no other European country is the Establishment so clearly defined and so completely secure," he wrote. "The Establishment talks with its own branded accents; eats different meals at different times; has its privileged system of education; its own religion, even to a large extent its own form of football."

Two years later, Henry Fairlie in *The Spectator* had another ping at it, and came closer. "The exercise of power in Britain (more specifically in England)", he wrote, "cannot be understood unless it is recognised that it is exercised socially ... the 'Establishment' can be seen at work in the activities of not only the Prime Minister, the Archbishop of Canterbury and the Earl Marshal, but of such lesser mortals as the chairman of the Arts Council, the Director-General of the BBC, and even the editor of *The Times Literary Supplement*, not to mention divinities like Lady Violet Bonham Carter."

Nobody would dispute that the Establishment as Fairlie understood it in the Fifties and as *Private Eye* and *TW3* and the rest lampooned it in the Sixties has been laid to rest. The defeat of Sir Alec Douglas-Home and the arrival of Harold Wilson were two nails in the coffin, although the traditional great and good continued to pack royal commissions, the Arts Council, the Royal Opera House and other such bodies, and, with conspicuous wariness, Labour declined to tamper much with the Civil Service.

Far more serious was the damage inflicted by Margaret Thatcher. She believed that the Tory grandees, the "managers of decline", shared with socialism the chief blame for Britain's economic failure, and she put them to flight. The Wets were one by one flushed from the Government; Civil Service advisers and Oxbridge academics were usurped by the Centre for Policy Studies (CPS) and personal advisers such as Alan Walters; and the great and good were left to twiddle their thumbs when Mrs Thatcher put new royal commissions permanently on hold. By the end of the Eighties, the notion that whoever happened to hold office, Britain was still run by a bunch of former schoolfriends from the same top drawer, had been shattered.

But arguably that had always been an over-simplification. As early as 1962, the first journalist to investigate the phenomenon of the Establishment closely, Anthony Sampson in *The Anatomy of Britain*, recognised that it was a far more heterogeneous monster than Taylor or Fairlie made out. "The rulers are not at all close-knit or united," he wrote. "They are not so much in the centre of a solar system as in a cluster of interlocking circles, each one largely preoccupied with its own professionalism and touching others only at one edge ..."

This was a less readily graspable image than the earlier one, and less satisfying to the conspiracy theorists, but it was a more satisfying depiction of the realities of power. And this is the image that still seems relevant today. The privileged background which most inhabitants of Sampson's interlocking circles shared, and which lent the whole set-up the air of homogeneity and effortless superiority, may largely have gone; the circles may spin faster, their inhabitants rotate more dizzily; but the image itself remains a telling one.

If Labour wins the next election, it is already clear that Labour's new Establishment will be radically different from versions erected by Labour in the past. The cosy relationship with the trade unions has gone for good: only one union boss, Alan Johnson of the Communication Workers' Union, is considered to be on intimate terms with the leader. Countering the unions' influence far more effectively than in the past will be the capitalists: recently a number of wealthy business leaders have, with great fanfare, lined up to make large donations to the party. Matthew Harding, insurance broker and Chelsea FC's largest supporter, gave a record £1m earlier this month; among other donors are Paul Hamlyn, the publisher, Pearson (owner of *The Financial Times* and Penguin Books), and Christopher Haskins, chairman of Northern Foods. Others who have pledged support and are also believed to have made contributions include the broadcaster Melvyn Bragg, the film director David Puttnam and Dennis Stevenson, chairman of the Tate Gallery's trustees. Each large gift enhances the party's business-friendly image and weakens the unions' grip.

Giving money doesn't guarantee influence. But where money and ideas and ambitions combine, it is a different matter. The media tycoon Lord (Clive) Hollick has been a Labour supporter since the age of 15, and was ennobled by Neil Kinnock. His influence has continued under Blair (and has arguably increased). As the new joint proprietor of the *Daily Express* and *Sunday Express*, which have been cautiously shifting from their extreme Conservative stance, Lord Hollick can exert vast influence over a key sector of the electorate: the C1s and C2s.

Lord Hollick's power extends into another important circle of influence on new Labour: policy-making. During the Eighties, the Tories under Mrs Thatcher made all the running on policy, with a stream of radical ideas emerging from the CPS and other think-tanks. Blair knows that if Labour is to win the war of ideas up to and beyond the millennium, the party must generate a comparable intellectual dynamism.

Traditional sources of Labour wisdom such as the universities or the moderate Fabian Society, trapped in their time warps, are of little use (though the Fabians are going through a rapid modernisation). So a new constellation of intellectual stars has come into being around the party, a cluster of think-tanks competing furiously to influence party policy.

The Institute for Public Policy Research (IPPR), set up by Lord Hollick and others in 1988, is one; Demos, led by the brilliant and mercurial Geoff Mulgan, is another; a third, Policy Forum, was recently inaugurated. One of the biggest imponderables is which individuals prominent in these organisations will be rewarded with official or unofficial posts if Labour wins.

In power, Labour will be confronted by a wall of Establishment organisations that have grown so accustomed to working with the Tories that it is as natural to them as breathing. Yet it is wrong to assume that this will be a wall of hostility. Large swathes of the Civil Service, for example, are said to be hoping against hope that Labour wins, because a transfusion of energy and ideas is long overdue. The legal Establishment, which Mrs Thatcher took on but failed to subdue, is substantially sympathetic to Blair: his network of friends and allies extends through the Law Society, where Henry Hodge, husband of Margaret Hodge, Islington neighbour and front-bench protégée of Blair's, is highly influential, as well as through the friends of Lord (Derry) Irvine, the QC under whom Blair trained as a barrister.

Other reaches of the present Establishment, however, remain *terra incognita* for Labour, and these include some of the repositories of the most unreconstructed Establishment attitudes: the defence Establishment, for example, and the farmers, are constituencies with which Labour has neither traditional nor modern sympathies, and there is little indication that it has yet got round to tackling how such power centres are to be brought to heel. To prevent them being floored by such groups, they may well need to call on improbable allies.

The problem of soliciting the services of Labour figures with experience of government is that the experience available is not only extremely antique, but ended in ignominy. "If he wants experience, he gets failure," as one commentator puts it. Yet ageing titans such as Lord Healey are talking to the Labour leadership, and with some of the SDP "traitors" such as Lord Jenkins, the relationship appears to be even closer.

If the Establishment is, in Sampson's schema, a system of interlocking circles, it is the people who are able to move easily from one circle to another who are the most influential. In Harold Wilson's administrations and beyond, the ubiquitous Lord Goodman was the best example of such a figure, running the Arts Council and half a dozen other quangos while rushing off to negotiate with Ian Smith about the Rhodesian problem. Figures able to move in this fashion will be of critical importance to Blair, and plotting their peregrinations, their landings and departures, will be one of the most useful tools for drawing a map of the new Establishment.

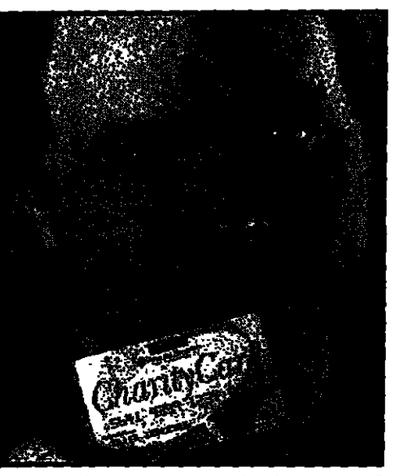
It is in the nature of the Establishment that it is hard to comprehend. As Sampson says today, "It operates with a mystique and a mystery that is not understood at large." To describe the Establishment is, on the one hand, to attempt a lightning sketch of the state of the nation; on the other, it is to make a stab at assessing the state of friendships, alliances, and blood feuds, most of which flourish or expire or explode behind closed doors.

It is an impossible venture. One can but fail. But the attempt is worthwhile, because if Labour wins, the new Establishment will impinge on all our lives.

Tomorrow: the plutocrats

"IF YOU GIVE TO CHARITY YOU'LL WANT THIS."

CLIVE ANDERSON



If you want to make sure all your favourite charities get more money, then this is the card for you. With the *CharityCard* from CAF you can give tax-free to any charity you choose, big or small, whenever you want.

A COMPLETELY DIFFERENT KIND OF CARD

Here's how it works. You decide how much you want to give to charity. You put that money into your own *CharityCard* account at CAF - by instalments or as a one-off sum.

THE TAXMAN ADDS MORE!

Then - and this is the best bit - the Taxman adds more money to your account, so you have 25% extra to give away! And the more you give, the more the Taxman gives.

You can use the *CharityCard* for making donations over the phone or by post - you just quote your *CharityCard* number. You'll receive a special Charity 'Chequebook' as well. You can also take out standing orders for causes you want to support regularly.

YOU CHOOSE WHERE AND WHEN THE MONEY GOES

Who you give to, how much you give and when you do it are all entirely up to you.

You can use your account not only to give to whichever registered charities you choose, but also to many local causes and appeals such as schools, hospitals and places of worship.

CALL FREE 0800 99 33 11

RELIABLE AND FLEXIBLE

There's no easier, or more flexible way of giving tax-free. To find out how it can work for you, call now, or use the coupon provided.

The *CharityCard* comes from the Charities Aid Foundation itself a charity, established in 1924. Registered charity no: 268369. Patron HRH The Prince Philip, Duke of Edinburgh KG KT.

These tax benefits apply to UK tax payers only.

"FIND OUT MORE, DO IT TODAY!"

Please send me more information about the *CharityCard*™

11/09/96

Mr/Mrs/Ms _____ Initials _____

Surname _____

Address _____

_____

Postcode _____

Tel No _____

CAF

Please send this completed coupon to: *CharityCard*, Charities Aid Foundation, PO Box 988, Newcastle Upon Tyne X, NE85 2FR

Welcome to Bath: just sink in and nod off

Miles Kington

There were two stories on the front of the *Bath Chronicle*, Bath's daily paper, last Thursday. One said "Princess Anne visits Bath" and, as if to prove it, there was a photograph of her getting out of a car and shaking hands with some silvery-haired local dignitary, prior to entering the Guildhall to address a meeting. "Dozens of police had been brought in to line her route and keep security tight," the story ran. They had done their job rather too well, it seems. It was clear from the photograph that not only were there no crowds to see Princess Anne, but there were no onlookers either. Not even a policeman was in sight lining the route, except for the plainclothes man holding the royal car door open. The rest of the street scene was innocent of humanity. The Princess Royal might as well have been getting out in the middle of the country to stretch her legs for all the attention it provoked. Princess Anne's visit had been greeted by Bath with a lack of deference that one can only call apathy.

The other story was headed "Last-ditch bid to restore spas".

Bath is making a last-ditch £5m bid, said the text, to restore Bath's famous spas to their former glory. The deadline for bids falls on Monday, and represents the city's final chance to get Millennium Commission funding for the spas. A previous bid for lottery money had failed, but this time council officers are hopeful they have got it right ...

Both stories, quite by accident, illustrate the kind of complacent inertia that typifies Bath more than most similar cities. When I first came to live near Bath 10 years ago, I was told by an inhabitant that I should beware most of all of falling prey to inertia. "Bath sits in a saucer between high hills," he told me, "and the air sinks down and sits heavy at the bottom of the saucer – it affects everyone in Bath, and it seems very difficult to get enough energy going to do anything ..." He would have said more, but he sank into a soporific silence.

This seemed rather fanciful to me at the time, but I have come to feel he may have been right. I have since discovered it is not a new idea. When Jan Morris lived in Bath 20 years ago, she sometimes felt the same. "When the weather is wrong," she wrote, "or the mood jars, even the splendours of the place go sour. Then the honey-gold turns to grey, the hills look drab and lifeless, the young people seem to disappear from the streets, and Bath seems despondently sunk in its muggy valley – its sulphurous pit, as Pope called it.

"Bath," thought Jan Morris on reflection, "often has a sadness to it ... I myself attribute the sensation to an unfulfilment in Bath. Since the end of the 18th century, and the departure of the fashionable to newer and racier resorts, Bath has never recaptured its purpose – or rather, the particular purpose the Georgians gave it, and for which their glories were designed. Bath is only a bourgeois Somerset town, dressed like a capital."

There is certainly still a lack of nerve, a lack of will, about Bath. The town was built upon its warm and bubbling waters, upon its role as a spa, a place of recreation and healing, yet the place seems fatally unable to get its act together to reopen its watery facilities. Never mind a last-ditch attempt to reopen as a spa – this year, Bath's only public swimming pool has been closed *during the whole summer*, because of cock-eyed planning and past incompetence. Yes, a city built on water cannot give its visitors a spa treatment or its residents a swim. Something wrong, surely.

Bath does, as Jan Morris said, have a museum feeling. You can find an open-top tour bus any time you like in the centre of Bath. But you cannot find a hardware shop to buy screws or nails. It's much safer, for that, to go out to an outlying village such as Larkhall, to the splendid Langridge's Hardware Shop, and not look in Bath at all.

And it was there last week, on the very day that Princess Anne had visited Bath unnoticed and the last-ditch spa bid was announced yet again, that I went to the Rondo Theatre in Larkhall and saw a splendid play about the incompetence and arrogance of Bath City on stage, which, if I were mayor of Bath, I would immediately sue for slander and defamation, before having the author detained and the actors flung in jail.

Full and fearless details of this extraordinary production tomorrow.

هكذا من الأصل

This is revolution – that's why we feel *morosité*

Andreas Whittam Smith

People will remain uncertain about the economy while traditional jobs are being lost, despite new opportunities

Sooner or later we will have to stop bemoaning the absence of the feel-good factor in economic life, those animal spirits that gave consumers the confidence to spend and spend and which stimulated companies into break-neck takeover programmes during the late Sixties, the Seventies and the Eighties. All that has gone for the foreseeable future. Inflation is over, deflation rules – and with it comes caution and job insecurity.

Conservative politicians delude themselves in thinking that because the unemployment trend has been declining for more than three years, and last week's figures were "good", people are soon going to "feel" better. Maybe. But note how economists refer to these statistics nowadays: they call the series "claimant" unemployment. This tells us there is something funny going on. If only those "claiming" unemployment benefit are counted, who is being left out?

Young school-leavers, 16- and 17-year-olds, are being omitted. They are supposed to be on youth training programmes, but many are not or drop out quickly. By and large these young people are ineligible for unemployment benefit and so disappear from the statistics. Another uncounted group of unemployed people are what are described as the "economically inactive". Typical of this group are those who have gone into early retirement following redundancy. About 17 per cent of all men who become unemployed drop out of the workforce for good.

In other words, the national statistics for unemployment ignore two unfortunate categories: youngsters without skills, and middle-aged people "let go" from companies to which they may have given half a lifetime's service.

Governments naturally think that they can control events. But the slow, crucial changes in economic conditions are like movements in the earth's crust. They are the result of powerful forces operating under the surface. They are international rather than national. In fact, what the French call *morosité* is rather more intense on the Continent that it is in the UK.

The most pervasive of these trends is deflation. Absence of inflation means that businesses cannot bail themselves out of trouble by raising their prices. Punishment in the market place for letting prices drift above the competition's is swift and brutal. A few days ago in France, for instance, Renault announced its first deficit for 10 years. Management accepted that it had lost sales and market share because Renault cars were too expensive. Manufacturing costs must now be cut by a further 8 per cent per vehicle. This means that Renault's labour force must shrink even faster. This in turn puts Rover here on notice that cost control has to become almost a fetish.

In this way, deflation becomes just as much a reinforcing mechanism as inflation was for many years. In Britain, annual rises in average prices are running at just below 3 per cent. There are no signs of inflation in the US or Japan. In France, consumer prices have actually fallen for three consecutive months. Everybody, everywhere in the world, has become price and cost conscious. In a deflationary era, one may feel virtuous but not carefree.

A second shift is that business thinking has turned against sheer size. This is the significance of the news that British Airways is considering whether to concentrate solely on the core jobs of dealing with customers and flying the aircraft. It would buy in all the other important but essentially peripheral services, such as aircraft maintenance, which it currently provides for itself. The BBC is considering similar plans to strip itself down to the very essence of broadcasting.

The purpose of such measures is to increase management's focus and to eliminate tasks that are now thought to be irrelevant. In addition, using contractors rather than a company's own staff is a way of giving greater play to market place disciplines. And so we have seen the dismantling of the huge industrial groups that were built up in the Sixties, Seventies and Eighties. Giants such as ICI and Courtaulds have divided themselves into separately owned units. The go-go conglomerates of yesteryear, such as Lord Hanson's group, have voluntarily broken themselves up into their constituent companies. In the US, the giant telephone company AT&T has announced similarly far-reaching plans. The results of all these various initiatives are the same: fewer jobs and more intense downward pressure on prices.

A third sea change is that the Nineties are turning out to be the central years of an industrial revolution quite as sweeping and transforming as the coming of the steam engine, or electric power or the internal combustion engine. The linking of computers all over the world to create the Internet is like the first railway age. It changes everything.

The first business casualties are likely to occur in traditional retailing. For instance, the biggest single bookselling operation in the US is now to be found in cyberspace at a Web site rather than in a main street store. And this at a time when only about 5 per cent of households are connected to the Internet. When penetration has doubled, tripled or quadrupled, retailing will look very different. Many traditional jobs will be lost while new opportunities are being created. This process also imparts uncertainty. It's never comfortable living through a revolution. Few people "feel good" while it is going on.

Defectors have only a walk-on part

by Polly Toynbee

You might expect the Labour Party to have decked Alan Howarth in garlands and a safe seat, but many have been giving him hell

The conference season is upon us – that annual unsavoury chance to gaze upon each party dancing to their own peculiar tribal rhythms. With an exceedingly unpopular government hanging by a thread owing to two remarkable defections, rumours continue to hint that one or two other Tory MPs might be teetering on the edge. Who knows?

Pour encourager les autres, you might think a rational Labour Party would now be showing any Tory waverer how welcome they would be. Alan Howarth, their prized Tory defector, would be decked in laurel wreaths and garlands, fatted calves would be slaughtered for him in barbecues up and down the constituencies. Above all, you would hope that he might land a safe seat.

But political parties are not rational – and many in the Labour Party have been giving Howarth hell. Some call him a carpet-bagger or a chicken-runner and they tell him to get to the back of the queue. They shake their fists in the air and declare that they will never forget that he voted for the poll tax, privatisation of British Rail and all manner of other outrages. Humble pie and a lifelong penance are in order.

Maybe. These are heinous crimes, but on the other hand, might Howarth not bring with him a new tranche of Conservative voters? To be sure no-one would promise any old opportunistic defector a guaranteed safe landing, but Howarth is a prize fish.

But then grassroots party politics is less about winning than about a blend of fierce tribalism and vicious personal ambition. Nothing arouses this atavism more than defection. No one is as angry as a local Councillor Buggins afraid that some newcomer might winkle him out of the seat for which he has spent the past 10 years pounding the pavements trying to earn his selection. As the ideological dividing lines between the mainstream of each party fade into grey, so belonging to a party becomes more about the kind of people we are – clans, class, taste, self-image, heritage and roots. We're talking Man U *vs* Man City.

That is why crossing the floor of the Commons is so extraordinarily rare and difficult. Howarth is the first Tory MP to cross to Labour – and the way some in the Labour Party are behaving, there is a grave danger that he will be the last. If the reward for Howarth and Emma Nicholson – Tory defector to the Lib Dems – is instant political annihilation, the lesson will be learnt by other Tories with itchy feet and a guilty conscience.

Howarth, it is said, is not a very happy man, with few political friends. When I called top Labour apparatchiks, they said he was fine, just fine – but when I asked who his friends were, they were flummoxed. Several offered to call back with a name or two, but no calls came. (Howarth himself is in Chile this week – though no doubt if he were available he would protest that he is having a terrific time in his new party.) Of course Blair's people want him to be selected in a good seat, but the way things are going it may not happen. He is able, decent, assiduous and loves the House of Commons. (Odd but true.) He is sufficiently respected for even the Tory attacks on him to have been relatively muted. He may have a horrible past to live down, but in recent years he has been clearly a liberal and he has experience as a former minister for higher education.

Tribune, the "old Labour" weekly, has been hounding him since he arrived – gleefully encouraging his failure to get selected in seat after seat, while warning of "leadership conspiracies" to get him imposed on some unsuspecting party or other. "We get calls from local party people warning us if ever he sends in his CV," says *Tribune*'s editor, Mark Seddon, malevolently. "There's a suspicion that some old-timer MP will retire just before the election, deliberately making no time for a selection so the leadership can impose Howarth. He came from the Thatcherite right and if he's ratted once, he could rat again. The rank and file who have done 15 or 20 years of legwork don't want to create some centre party where it doesn't matter where you come from." (Mr Seddon is himself on the trail for a safe Labour seat.)

What of Emma Nicholson? Of course she says she is having a wonderful time among wonderful people. The Lib Dems have been very nice to her and she feels absolutely at home – no complaints. But if I were her, I might have hoped for a winnable seat. More important, if I were a waverer from another party, I would be watching her progress with keen interest. But she has not applied for any seat – for family reasons, she says. (Others hint she knows her new party quite well enough to have decided from the start that it might be a waste of time and dignity.)

She now hopes for a European seat, fully aware that since her party only has two MEPs, finding a winnable one will be exceedingly difficult. Liberal parties have favourite sons like the bottom of a boat has barnacles. Will anyone stand aside for her for the good of the party? We shall see.

Ms Nicholson says gamely that of course she expects no help – "I joined a democratic party, so the membership decides." A tad fairer than the Tories maybe, but hardly what you would call "democracy". In all the parties a handful of activists who pay their subscription get to choose the candidate on behalf of the rest of us. Some democracy.

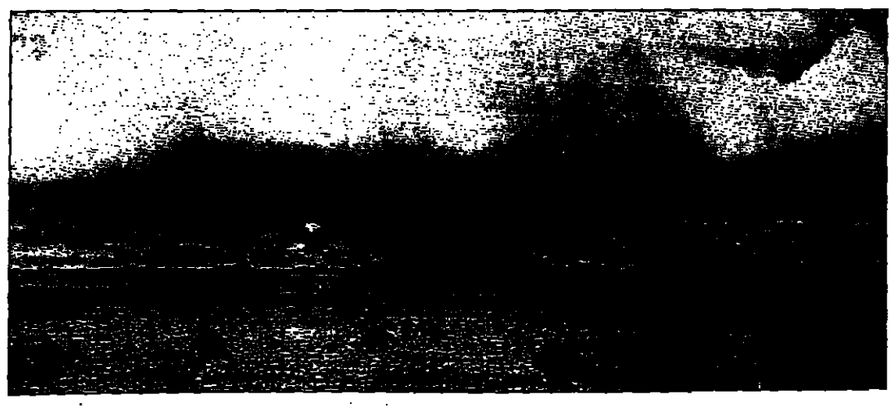
Our method of selecting MPs locally often favours a local grandee or councillor over superior merit, party or national interest. It produces a House of Commons three-quarters stuffed with the stupid, the venal, the idle and the mediocre – lacklustre local chaps (mostly men) with no qualification for governing the country. Currying favour with local activists by clocking up leafleting hours is not a qualification for power – especially as local activity has virtually no effect on general election results. Once selected, too many will plant their bottoms on the green leather benches for 20 or 30 years of wasted space.

At every election the whole country swings in unison, voting for central government regardless of the calibre of the unknown person we are obliged to vote for locally. That near-universal voting pattern exposes the myth of the "local" MP. If Alan Howarth does not succeed in winning some constituency, it is to be hoped he will lose to a succession of much better people.

But if the last 23 or so winnable seats for Labour reject Howarth for lesser candidates, then it really is time to find a better way. We should have primaries and a form of proportional representation that allows selection from a list. The MPs we have now are neither representative nor a brightest and best élite.

We don't need nuclear bombs

by Field Marshal Lord Carver



The opportunity exists – though it may not last long – to choose to conduct our affairs without these weapons

Last year, I was rung up by Gareth Evans, then the Australian Foreign minister, who told me that, in the backwash from protests about French nuclear tests in the Pacific, the Prime Minister, Paul Keating, had decided to establish an international commission to report on the feasibility of totally eliminating nuclear weapons. He wanted me to serve on it. Once he told me that respected figures such as Robert McNamara, the former US Defence Secretary, had already accepted, I agreed.

When we first met in Canberra, I was already inclined to accept total elimination as the goal. Discussion convinced me that the target was indeed feasible, and that an opportunity existed, in the absence of any serious tension between the major powers. It became clear that if the US and Russia perceived abandonment of nuclear weapons to be in their interests, it would become possible and achievable within a period significantly shorter than most people envisaged.

Our report, presented last month, was unanimously agreed, without any qualification. Yet no difficult issue was fudged. That was surprising, when one considers what a mixed bunch we were. Our commission included General Lee Butler, former Commander-in-Chief of US Strategic Air and Strategic Commands; from Sweden, Ambassador Rolf Ekeus, who heads the UN mission investigating Iraq's mass-destruction weapon programme; from France, Michel Rocard, MEP, former Prime Minister, and Jacques-Yves Cousteau, the well known environmentalist; from Russia, Professor Roald Sagdeev, former science adviser to President Gorbachev, now head of the East-West Space Center in the US; from China, Ambassador Qian Jiadong, former Ambassador to the UN Disarmament Conference; and from this country, Professor Joseph Rotblat, FRS, Nobel Peace Prizewinner and President of the Pugwash Conferences.

We have listed many reasons for supporting the goal of total elimination of nuclear arms. First, they are such horrible weapons. To use them against a similarly equipped opponent invites catastrophe: to use them against a non-nuclear opponent is politically and morally indefensible. Their only purpose now is to deter a similarly equipped opponent from using his: their elimination would remove that justification. They have no utility as a military weapon.

Second, the indefinite deployment of the weapons carries a high risk of their ultimate use – intentionally, by accident or inadvertence. We have been lucky that, since 1945, no nuclear weapon has been exploded, except in tests, either intentionally or by accident. We owe that good fortune to the fact that nuclear weapons have been held only by nations with strong and efficient governmental machinery and with access to the latest technology. Today, with the break-up of the Soviet Union and the actual and potential proliferation of nuclear weapons to states, or even possibly to groups within states, the risk of intentional or accidental use is higher. If their possession proliferates, that risk will probably increase.

Third, the possession of the weapons by some states stimulates others to acquire them, reducing the security of all. Nuclear weapons are a source of instability in the relations between Russia and the West, within and between the former members of the Soviet Union, between the states of North Africa, the Middle East and the Indian subcontinent, and between the nuclear weapon states and the non-nuclear weapon states.

We did not produce a blueprint for verifying elimination of weapons. If the US and Russia cannot be persuaded to make the commitment we seek, a blueprint, invented by others, is irrelevant. If they do make the commitment, they themselves must devise the methods, including verification, by which, stage by stage, they reduce from their present levels to zero. Any system that satisfies them should also satisfy the other declared states, the threshold and potential threshold states, and the non-nuclear weapon states.

We accepted that no verification could be 100 per cent effective, but, if sufficient effort is put behind checking, it can probably be about 85 per cent effective. Whether or not that is acceptable is a political judgement to be made at the time.

But we must compare the risks between the present, and possible future, situation, in which there are a large number of weapons in existence and the possibilities of proliferation and lack of control, with one in which there has been a progressive, verified reduction to zero, and in which the political or military advantage of retaining, or attempting to develop, a few weapons would be doubtful. There can surely be no doubt that total elimination would involve less risk and would lead to a safer world for us all.

We did not call for any nation to disarm unilaterally. We believe strongly that, because there is at present no major source of tension between the great powers, the opportunity exists, which may not last long if not seized, to make a new and clear choice to enable the world to conduct its affairs without nuclear weapons.

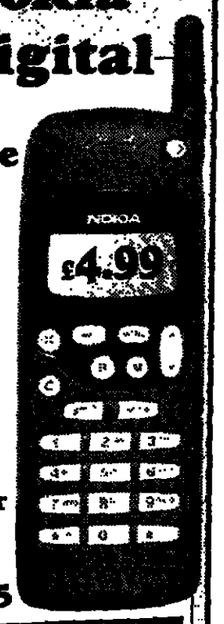
We gave no time scale for this, but, if Russia and the US can be persuaded, and put in anything like the effort they have expended on building up and maintaining their arsenals, matters could move much more quickly than most people imagine possible. We have listed a number of initial steps, such as taking weapon systems off alert and removing warheads from delivery platforms. These would both demonstrate commitment and also make the world safer.

The commission now no longer exists and the Australian government, although it has distributed the report, is not committed to further effort in promoting its recommendations. Hitherto our report has received little media attention, and the task of persuading governments to take it seriously poses a difficult challenge.

The writer was Chief of Defence Staff, 1973-76.

The Outstanding New Nokia 1610 Digital

2 Months FREE Line Rental
One Second Billing
Up to 20% off calls *and*
■ FREE Next Day Delivery
■ FREE Leather Carry Case
■ FREE In-car Charger
■ FREE £12 Accessory Voucher
Total Value £125



You can't make a safer choice
• Up to 100 hours standby • Over 200 mins talk time
• 45 name/number memory • Rapid Mains Charger (recharges in under 1 hour) • Choice of 5 ring tones • 250g weight
• Call divert, holding & waiting facilities

THE LATEST DIGITAL PHONES offer superb clarity and total security from eavesdroppers, reaching 96% of the UK population and over 36 other countries. Kate Allen are committed to combining the highest standards of personal service with the most competitive packages to minimise your costs.

To take advantage of this special offer please telephone our specialist sales team

Kate Allen MOBILE PHONES

TARIFF DETAILS

07000 19 20 21

Our lines are open Mon-Fri 9-8, Sat 9-6, and Sun 10-4

SUBJECT TO STATUS & CONTRACT

Connection to Vodafone or Cellnet - with a free 14 day change of network option

obituaries / gazette

Juliet Prowse

A tall actress-dancer with red hair, pouting lips (she was once called "a trim Brigitte Bardot") and a great high kick, Juliet Prowse appeared on screen with Frank Sinatra (who proposed marriage) and Elvis Presley during an all too brief film career, shocked Nikita Khrushchev with her dancing in *Can-Can*, became a London stage favourite (notably in *Sweet Charity*), and a sensational night-club performer.

She was born in 1936, in Bombay, where her father worked as a travelling salesman. Her father, an Englishman born in South Africa, died when she was three and her mother then took her to relatives in Durban, but finally settled in Johannesburg. "Juliet showed an aptitide for dancing from the time she could walk," stated her mother, who enrolled her daughter in ballet school at the age of four. At 14 she was in the corps of Johannesburg's Festival Ballet, dancing in *Swan Lake*, *Coppelia* and *Les Sylphides*. Two years later she played the Queen of the Wilis in *Giselle* – cast because of her outstanding elevation, she was the youngest dancer ever to play the role in South Africa. "I never graduated from college," said Prowse, "because I became so interested in dancing that when I was 16 I quit to study with the ballet teacher Marjorie Sturmm in Johannesburg."

Going to London two years later to continue her studies, she received the biggest disappointment of her life when turned down by Anton Dolin for the London Festival Ballet because she was too tall (nearly 5ft 8in).

Prowse turned to show dancing and successfully auditioned for Jack Cole, who was choreographing the film *Gentlemen Marry Brunettes* (1955) in London. Though she appeared in only one of the film's numbers, Cole was impressed and asked her to work with him again in the London production of *Kismet*. She played the role of Princess Samaris, with an impressive solo dance to "Not Since Nineveh", then after a 20-month run accepted an offer to dance in La Nouvelle Eve night-club in Paris, an engagement terminated when she injured her ankle in a motor-scooter accident.

While touring Italy in a revue starring the comic Macario, she fell in love with another dancer, Sergio Fadini, and with a third dancer they formed an act, the Prowse Dancers, and toured the European night-club circuit. Ambitious for her, Fadini polished her acting, singing and dancing technique and when he heard that Hermes Pan was in Rome he arranged an interview for her. Pan, about to return to Hollywood to work on *Can-Can*, recommended her to 20th Century-Fox, who assigned her to appear in the movie. Having been given her featured role in *Kismet* on stage when the previous dancer dropped out at the last minute, Prowse now had her role of Celestine expanded to include the part of Claudine when Barrie Chase suddenly withdrew from *Can-Can*. "I've always had it easy," Prowse said later. "I've never had to fight to get parts."

Her role now included two major dancing roles plus a prominent acting role as the girl to whom Frank Sinatra sings "It's Alright With Me". An overlong and dull version of Cole Porter's stage hit, *Can-Can* was considered notable mainly for the dancing of Prowse, particularly her solo as the Snake in the "Adam and Eve Ballet", sliding sensually down branches of the Tree of Life dressed in blue-green snakeskin, a big red apple in her hand.

Khrushchev, after his famous visit to the set during the film's making, described the number as "lascivious, disgusting and immoral", but Frank Sinatra described Prowse as "the sexiest dancer I've ever seen". He began an affair with her and featured her in two of his television specials, the first of which (in December 1959) showcased Prowse in an enormous production number staged in the California desert.

Regarding the well-publicised relationship, Prowse stated, "Gossip doesn't worry me – I'm an open person. I've mixed around in this business long enough not to be embarrassed by anything pertaining to sex." Fadini, her former boyfriend, commented, "Juliet is a sweet, shy, reserved girl – I don't see what she sees in a man like him." When Sinatra proposed marriage with the condition that Prowse give up her career, she refused. "I am ambitious and have possibilities to be great," she said.

Prowse went straight from *Can-Can* to the starring role opposite Elvis Presley in *G.I. Blues* (1960), based on a play filmed several times before (notably as *The Fleet's In* in 1942) about a military unit who bet their company Lothario that he cannot melt the heart of a haughty night-club star. As the cabaret performer, Prowse won praise from critics for her exciting dance routines and her pert performance, and the director Norman Taurog later recounted that he had to shout "Cut!" several times to separate the two stars during their kissing scenes.

Of Presley, Prowse stated, "He would make a damn fine dancer – he's got fabulous rhythm", and she would later do a perfect impersonation of the rock star in her night-club act.

With the end of her relationship with Sinatra, Prowse's film career faltered. Fox, who had signed her to a seven-year contract, put her only into a minor musical, *The Right Approach* (1961), with Frankie Vaughan, a routine adventure, *The Fiercest Heart* (1961), about battling Boers and Zulus in 1837 South Africa, and in support of Debbie Reynolds in the comedy *The Second Time Around* (1961) before letting her go. (Her description of Hollywood as "a demoralising hick-town" had not endeared her to the moguls.)

She returned to South africa in 1965 to film Jamie Uys's *Dingaka*, and the same year starred as a discotheque dancer admired by both a voyeur/serial killer (Sal Mineo) and a lesbian (Eliane Stritch) in an exploitation movie made in New York, *Who Killed Teddy Bear?*, which has recently inexplicably been rediscovered and was hailed by some critics as a masterpiece of underground cinema when revived earlier this year at New York's enterprising Film Forum cinema.

Prowse was now concentrating on television and the theatre. After touring in such shows as *Damn Yankees*, *Irma La Douce* and *The Boy Friend*, she was cast in the Las Vegas production of *Sweet Charity* and played there to capacity for six months. In 1967 she enchanted London in the same piece as the gullible dance-hall hostess, stopping the show nightly cavorting through "If My Friends Could See Me Now", and touchingly conveying the heroine's unshakeable faith in human nature.

She returned to London in 1969 to star in *Mame* at Drury Lane while Ginger Rogers took a holiday, again winning acclaim, and in 1976 starred opposite Rock Hudson in a limited season of the two-character musical *I Do! I Do!*, one critic commenting that "Juliet Prowse is fast enough on her feet to prevent any damage to her toes when Rock is called on to do an occasional stiff-backed military two-step".

Although she often confessed an ambition to have an original stage musical written fo her, Prowse's principal career was now in night-clubs. In 1971 she made a sensational success with an act at Desert Inn in Las Vegas. Produced by Tony Charmoli, it was praised for its simplicity and finesse compared to the usual brash glitter of Vegas revues. It was climaxed, after Prowse had danced variations on the charleston, cha-cha and jitterbug, performed comedy sketches and sung ballads, with a memorable 15-minute ballet to Ravel's "Bolero".

She did guest appearances on all the leading television shows, including those of Perry Como, Bob Hope, Danny Kaye and Ed Sullivan, had her own situation comedy show, *Mona McCluskey*, (produced by Geoge Burns) in 1965 and her own television special, *The Juliet Prowse Show*, in 1979. She loved her work, and put herself through a gruelling twice-nightly schedule during her days as a night-club star, but always referred wistfully to her biggest regret.

"I've never starved," she once said, "and my family always encouraged me, as did everyone else. But my really big disappointment was beng told I was too tall for the ballet."

Tom Vallance

Juliet Prowse, actress and dancer: born Bombay 25 September 1936; married 1969 Eddie James (marriage dissolved 1970), 1972 John McCook (one son); died Los Angeles 14 September 1996.

'I am ambitious and have possibilities to be great': Prowse in Jamie Uys's *Dingaka* (1965)

The Rev Dr Harry Holland

On 31 May 1935 Harry Holland was awakened by an earthquake. As the walls crashed down he dived under his bed, as his mother had recommended, and was saved. But the town of Quetta, on the north-west frontier of India, was wiped out and 25,000 died.

Holland had only been there three weeks. He had come to work with his father, whose ophthalmic surgery was renowned throughout Baluchistan and even in Afghanistan. He pulled his father from the rubble, only slightly hurt, and in the days that followed they did heroic rescue work, and then set about raising funds and rebuilding the Church Missionary Society Hospital. In 1936 a grateful British government knighted his father, the legendary "Frontier Doctor" (the title of his sparkling autobiography), and later both father and son were awarded the Kaiser-i-Hind Medal by the Indian government.

Until the Second World War "Holland Sahib" and Harry performed thousands of eye operations – each one preceded by a brief prayer. Harry Holland then served for three and a half years with the Forgotten Army in Burma; they walked 200 miles in the retreat from Rangoon with his medical unit before the tide turned at Imphal.

In 1946 Holland took over the CMS Hospital at Peshawar with his wife Andrea as the administrator, his brother Ronnie having replaced him at the Eye Clinic. In 1947 came Partition and the accompanying massacres, when the Governor of the Punjab asked Holland to lead a rescue team to provide first aid for the vast encampments of refugees. That December he left Pakistan but in 1948 an urgent call for medical help brought him back.

In 1952, determined that his own sons should not be separated from their parents, as he had been, Holland settled in Edinburgh and sent them to Loretto, his father's old school. Holland had for some time had a vision of Britons going to work abroad not in total ignorance of other cultures, but in a responsible and informed way. He shared his thoughts with the Secretary of the CMS, Canon Max Warren. The Colonial Service, Barclays Bank and many business firms responded positively; and international briefing conferences began at Moor Park, Farnham. The organisation was known as Oversea Service, with Holland as the first director. By 1959 a permanent centre had been established in Farnham Castle and some 500 people were attending briefing sessions every year; by 1986 the total was 30,000.

Holland meanwhile returned to Pakistan in 1964, when the medical work was seriously understaffed. But for a long time he had felt called to the priesthood (in 1950 he had trained at Coates Hall in Edinburgh). He was ordained in the diocese of Lahore, and this enabled him to work for greater understanding between Christianity and Islam and for church unity, while working as priest and doctor.

Holland, who had studied Medicine at Edinburgh University, returned to the city in 1971 and worked as a GP in a group practice for 10 years. He also became active in political and ecumenical affairs, and was concerned for the rejuvenation of the Student Christian Movement. For the SCM, at its zenith in the Thirties, had fostered his spiritual roots. In its questing Christianity, its international friendships, its grappling with the great issues of the day and its inner core of discipleship Holland was at home. He and Andrea Pringle met there; she became its Scottish Travelling Secretary; and in 1937 in India their wonderful marriage, and their lifelong working partnership began. Next year would have seen their diamond wedding anniversary.

Holland: priest and doctor

Fifteen years ago they moved to the Borders. His grandfather had been rector of Cornhill-on-Tweed, and his grandmother was a Tristram from Durham. Holland loved Durham from his schooldays when he had sung in the cathedral; and a photograph of Canon Tristram, his great-grandfather, eminent priest, ornithologist, botanist, and traveller, adorned his wall.

Still anxious to serve, as a non-stipendiary priest he became part of a rural team ministry in West Linton. He remained to the end a cheerful, loving Christian, whose friendliness gave him a rapport with everyone. The torch of service which he received from his father has been handed on to his three sons, Robert, Christopher and Peter, all of whom, not surprisingly, are in the caring professions.

Fred Levison

Henry Bowlby Tristram Holland, missionary doctor and priest: born 23 February 1911; ordained priest 1966; married 1937 Andrea Pringle (three sons): died 28 August 1996.

Maj-Gen Frank Richardson

A soldier must have many qualities but above all he must have courage: this Frank Richardson had in abundance. Richardson was both a doctor and a soldier who understood the mind of his men. He was also, as a son of Scotland, one of their finest pipers.

His was a rich life founded on discipline and compassion and many men are alive today because of his skill and courage. With his military background he knew that in the heat of battle those in command, at any level, must remain calm. He also knew that in the opening fearsome minutes of an attack momentum has to be maintained at all cost.

In the fiercely fought Battle of Keren during the Eritrean campaign of 1941, Richardson's courage, understanding of men and his piping were brought together with dramatic effect. The Italians, smarting from their rout in the Western Desert, were determined to defend their position, particularly at Fort Dologorodoc, which blocked the Dongolas Gorge. It was essential that the Italian resistance was overcome, for they controlled the road to the capital Asmara.

During the attack, while Richardson was busy organising recovery of casualties, he realised that one of the Scottish battalions had lost their momentum. Grabbing hold of his bagpipes, which he always carried with him, he moved among them and with complete disregard for danger he played them forward. This brave and inspired action raised the spirit of the men and they overran the Italian positions. Rightly, Richardson was awarded a DSO: many thought he deserved the Victoria Cross. In this deed there were strong echoes of Piper Laidlaw at Loos in 1915: both knew the power of the pipes.

Frank Richardson was born in St Andrews and was the son of Colonel Hugh Richardson RAMC, who also won a DSO while with the Territorial Army in the First World War. He was educated at Glenalmond College before going on to Edinburgh University to study Medicine and was commissioned in the Royal Army Medical Corps in 1927.

Richardson: awkward subjects

As with many junior officers at the time, the training ground was India. Here he enjoyed the usual traditions such as polo and pig sticking and he took part in a number of expeditions to the Himalayas. He was invalided home in 1933.

At the outbreak of the Second World War he was again in India and returned to take over command of 166 Field Ambulance and was with them at the Battle of Keren. He then served in Syria, Lebanon and in the Western Desert, where he took part in the Battle of El Alamein and the advance into Tunisia with the 51st Highland Division. In June 1944 he landed in Normandy with the 160th Field Ambulance and commanded them throughout the North West European campaign. He then became Assistant Director of Medical Services of the 15th Scottish Division during some of the toughest fighting in that harsh winter. In the spring of 1945 he was involved in the crossing of the Rhine and the advance to the Elbe.

In his six years at war he had come to understand battlefield fatigue and trauma and its effect on morale. After the war he held a wide range of medical appointments in British military hospitals and field force units. He was Director of Medical Services of HQ British Army of the Rhine from 1956 until he retired in 1961. During 1957-61 he was the Queen's Honorary Surgeon.

Like Lord Moran, Churchill's doctor, who recorded his experiences of dealing with troops suffering from fatigue and shell-shock in the First World War in his classic work *Anatomy of Courage*, Richardson now turned to writing and lecturing on his experiences. At the Army Staff College in Camberley, Surrey, he gave an annual lecture on "Fighting Spirit; Psychological Factors in War". He was a brilliant speaker who could pull from his vast reservoir of experience and captivate his audience.

In his retirement he worked for the Army Benevolent Fund and for six years was the medical adviser to the Civil Defence in Scotland. He later worked for the Red Cross Society and became director of the Scottish Veterans' Residences at Whiteford House, Edinburgh.

Richardson was not only a gifted speaker but a fine writer who did not balk at awkward subjects. His first book, *Napoleon, Bisexual Emperor*, was published in 1972, followed by *Napoleon's Death: an inquest* (1974); *The Public and the Bomb* (1981) coincided with his work on civil defence; *Mars with Venus; a study of some homosexual generals* (1981) made interesting reading. He co-authored with Seumas MacNeill *Piobaireachd and its Interpretation* (1987): a classic work on piping.

Max Arthur

Frank McLean Richardson, doctor, soldier, piper: born St Andrews 3 March 1904; DSO 1941; OBE 1945; Director of Medical Services, BAOR 1956-61; Honorary Surgeon to the Queen 1957-61; CB 1960; married 1944 Silvia Innes (two sons, one daughter); died 27 August 1996.

Ljuba Welitsch

As one of those for whom Elizabeth Forbes in her excellent obituary [9 September] spoke eloquently, I shall never forget the thrill of Ljuba Welitsch's Salome in 1947 and in the Peter Brook production of 1949, **writes Sir Norman Lindop.**

Quite by chance it happened that, in 1976, nearly 30 years later, having a free evening in Vienna, I dropped in to the Volksoper for an operetta and was astonished and elated to see her name on the cast-list in the tiny part of the landlady of the hero's apartment. She was obviously a warm favourite with the audience, and her stage presence was as electrifying as ever.

As she made her exit, bearing before her the basin of slops in exactly the manner in which so long before she had borne the salver carrying the head of Jokanaan, as in your illustration, she intoned the immortal phrase, "*Ich habe deinen Mund geküssen, Jokanaan*" – and the house erupted. She was a truly great artist.

Wang Shoudao, politician, died Peking 13 September, aged 91. Revolutionary associate of Mao Tse-tung, whom he joined on the Long March in 1934. Mao's Vice-Minister and then Minister of Communications, 1952-64.

Wing Commander Clive Beadon, wartime bomber pilot, died Windsor 14 September, aged 77. Won the DFC for action over Burma, 1944.

Births, Marriages & Deaths

DEATHS

WILLIAMS: Michael. On 11 September, suddenly but peacefully in Bath, beloved husband of Helen, brother of Beatrice, father of Mark, Susie and Diggie and grandfather of Millie. Funeral service at Haycombe Crematorium, Whiteway, Bath at 1.30pm on Wednesday 18 September. Family flowers only please, donations if desired to Heart 'n' Soul, c/o W. F. Dolman & Son, 9 Walcot Terrace, Bath BA1 6AB.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries. In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (notices, functions, forthcoming marriages, Marriages) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a daytime telephone number.

Birthdays

Mr Russ Abbott, comedian, 49; Miss Lauren Bacall, actress, 72; Mr Tommy Carberry, jockey, 55; Mr Ken Coates, MEP, 66; Mr Peter Falk, actor, 69; Mr Charles Haughey, former Irish prime minister, 71; Lord Henderson of Brompton, former Clerk of the Parliaments, 74; Sir Anthony Hooper, High Court judge, 59; Mr Ian Horsbrugh, Principal, Guildhall School of Music and Drama, 55; Mr Andy Irvine, rugby player, 45; The Very Rev William Johnston, extra Chaplain to the Queen in Scotland, 75; Mr Kenny Jones, drummer, 48; Mr B.B. King, guitarist and blues singer, 71; Mr Lee Kuan Yew, former prime minister of Singapore, 73; Sir John Megaw, former Lord Justice of Appeal, 87; Sir John Page, former MP, 77; Baroness Pike, former MP, 78; Dame Sheila Quinn, former president, Royal College of Nursing, 76; Lord Ryder of Eaton Hastings, former chairman, IPC, 80; Mrs Steve Shirley, founder director, FI Group, 63; Mr David Smeeton, radio news correspondent, 60; Mr Mickey Stewart, cricketer, 64; Mr Peter Townsend, golfer, 50; Lord Walton of Detchant, former Warden, Green College, Oxford, 74; Mr David Wilshire MP, 53.

Anniversaries

Births: Henry V, King, 1387; Mikhail Illarionovich Kutuzov, soldier and diplomat, 1745; Nathan Mayer Rothschild, banker, 1777; Wenzel Gährich, violinist and composer, 1794; William Marsden, physician and hospital founder, 1796; Sir Anthony Panizzi (Antonio Genesio Maria Panizzi), bibliophile and scholar, 1797; Francis Parkman, historian, 1823; Albert Ross Parsons, pianist, composer and author, 1847; Sir Edward Marshall Hall, criminal law advocate, 1858; Andrew Bonar Law, statesman, 1858; Ellsworth Huntington, geographer and explorer, 1876; Alfred Noyes, poet, 1880; Nadia Juliette Boulanger, composer and teacher, 1887; Grand Admiral Karl Doenitz, sailor, 1891; Sir Alexander Korda (Sandor Laszlo Korda), film director and producer, 1893; Robert Malise Bowyer Nichols, poet, 1893; Karol Rathaus, composer, 1895. **Deaths:** Pope Martin I, 655; Tomas de Torquemada, Dominican monk and Spanish Inquisitor-General, 1498; John Colet, scholar and theologian, 1519; Gabriel Daniel Fahrenheit, physicist, 1736; Louis XVIII, King of France, 1824; Thomas John Dibdin, actor, playwright and songwriter, 1841; Grace Aguilar, novelist and historian, 1847; Edward Bouverie Pusey, theologian, 1882; Edward Whymper, wood-engraver and climber, 1911; Sir Thomas Lauder Brunton Bt, physician, 1916; Sir Ronald Ross, bacteriologist, 1932; (Count) John Francis McCormack, tenor, 1945; Sir James Hopkins Jeans, physicist, 1946; Vesta Tilley (Matilda Alice Powles, Lady de Frece), male impersonator, music hall artiste, 1952; Leopold Charles Maurice Stennett Amery, statesman and journalist, 1955; Michael Carr (Maurice Cohen), composer, 1968; Walter Greenwood, novelist and playwright, 1974; Marc Bolan (Mark Feld), singer, songwriter and band-leader, 1977; Maria Callas (Cecilia Sophia Anna Maria Kalogeropoulos), opera singer, 1977. **On this day:** Cape Town was taken by a British force under James Craig, 1795; in the United States, a wagon train of 120 emigrants was massacred by Indians, 1857; David Livingstone discovered Lake Nyasa, 1859; the first Post Office Savings Banks were opened, 1861; the Soviet Union became a member of the League of Nations, 1934; Reza Khan Pahlavi, Shah of Iran, abdicated, 1941; Malaysia became independent, 1963; Resolution, Britain's first Polaris submarine, was launched, 1966; Papua New Guinea became independent, 1975; in the United States, the Episcopal Church approved the ordination of women to the priesthood, 1976; in Tower Hamlets, East London, riots took place after a British National Party candidate was elected to a council seat, 1993. **Today** is the Feast Day of Saints Abundius and Abundantius St Cornelius, pope, St Cyprian, St Edith of Wilton, St Euphemia, St Ludmila and St Ninian.

Lectures

Victoria and Albert Museum: Beth McKillop, "The Use of Colour in Korean Textiles and Dress", 2.30pm.

Queen's Counsel

The Lord Chancellor invites applications for appointment as Queen's Counsel from advocates who hold, and are entitled to exercise, full rights of audience in the High Court or the Crown Court. Application forms, together with "Notes for Guidance" for applicants, can be obtained from David Stobie, Lord Chancellor's Department, 2nd Floor, Selborne House, 54-60 Victoria Street, London SW1E 6QW, telephone 0171-210 8921 or 8922. Completed forms should be returned to the same address by Monday 14 October 1996. Please note: applications after 12 noon on that day cannot be considered.

Battle of Britain Service

The Prince of Wales attended the Battle of Britain Service of Thanksgiving and Rededication held yesterday in Westminster Abbey, London SW1. He also represented the Queen. The Very Rev Michael Mayne, Dean of Westminster, officiated, assisted by the Rev Barry Fenton, Precentor. The Rev John Shedden preached the Sermon. Air Chief Marshal Sir Michael Graydon, Chief of the Air Staaff and Flt Lt S.E.V. Berg, of 43 Squadron, RAF Leuchars, read the lessons. Mrs Jeffrey Quill read a prayer. Among those present were:

Mrs Carolyn Keen, Deputy Lord Mayor of Westminster, and Mr Andrew Keen, Escort to the Deputy Lord Mayor; Mr Michael Portillo MP, Secretary of State for Defence (representing HM Government), and Mrs Portillo; Mr John Spellar MP (representing the Labour Party); Mr David Trimble MP (representing the Ulster Unionist Party); The Hon Nicholas Soames MP, Minister of State for the Armed Forces, and Mrs Soames; Mr James Arbuthnot MP, Minister of State for Defence Procurement, and Mrs Arbuthnot; Earl Howe, Under Secretary of State for Defence; Lady Graydon; Vice-Admiral Sir Robert Walmsley, Chief of Defence Procurement, and Lady Walmsley; Sir Moray Stewart, Second Permanent Under Secretary, Ministry of Defence, and Lady Stewart; Air Chief Marshal Sir William Wratten, Air Officer Commanding-in-Chief, HQ Strike Command, and Lady Wratten; Air Chief Marshal Sir John Allison, Air Member for Logistics, and Lady Allison; Air Chief Marshal Sir Richard Johns, Commander-in-Chief AFNorthwest, and Lady Johns; Air Marshal Sir David Cousins, Air Member for Personnel, and Lady Cousins; Air Marshal Sir Roger Austin, Controller Aircraft RAF, and Lady Austin; Air Vice-Marshal T.I. Jenner, Assistant Chief of the Air Staff, and Mrs T.I. Jenner

Marshal of the RAF Sir Denis and Lady Spotswood; Marshal of the RAF Sir Michael and Lady Beetham; Marshal of the RAF Sir Keith and Lady Williamson; Marshal of the RAF Lord Craig and Lady Craig; Air Chief Marshal Sir Thomas and Lady Pritchett; Air Chief Marshal Sir News and Lady Hodges; Air Chief Marshal Sir Neil and Lady Wheeler; Air Chief Marshal Sir Denis Smallwood and Miss Victoria Roberts; Air Chief Marshal Sir Ruthven Wade; Air Chief Marshal Sir David and Lady Evans; Air Chief Marshal Sir Thomas and Lady Kennedy; Air Chief Marshal Sir Patrick and Lady Hine; Air Chief Marshal Sir Michael and Lady Armitage; Air Chief Marshal Sir Anthony and Lady Skingsley; Air Marshal Sir John and Lady Nicholls; Air Chief Marshal Sir Michael and Lady Alcock; Air Chief Marshal Sir Michael and Lady Stear; Lord Dowding; Lord Newall; Lord Trenchard; Lord and Lady Slyn of Hadley; Lord Constantine of Stanmore; Lady Soames; Lady Thomson; Lady Ness; Lady Douglas of Kirtleside; Judge and Mrs Colin Colston; Sir Julian and Lady Ridsdale; Mrs Diana Barnato-Walker; Mrs Millan; Mrs Sheddon.

Air Marshal A.J.C. Bagnall; Air Marshal and Mrs P.T. Squire; Air Marshal Sir Timothy and Lady Garden; Sir Donald and Lady Spiers; Sir John and Lady Bielloch; Sir Malcolm Field and Ms A. Cleland; Air Chief Marshal Sir Christopher Foxley-Norris, Chairman, Battle of Britain Fighter Association, and Lady Foxley-Norris; Air Marshal Sir John Kemball, President, RAFA, and Lady Kemball; Air Chief Marshal Sir Roger Palin, Controller, RAF Benevolent Fund, and Lady Palin; Air Chief Marshal Sir Frederick and Lady Rosier; Air Marshal Sir Denis and Lady Crowley-Milling; Air Marshal Sir Harold Maguire and Mr R. Maguire; Air Chief Marshal Sir John and Lady Barraclough; Air Marshal G.A. Robertson, Chief of Staff HQ Strike Command, and Mrs Robertson.

Odette Lady Dowding; Air Commandant Dame Felicity Peake; Air Marshal Sir Kenneth Hayr and Mrs Rowe; Air Vice-Marshal and Mrs B.H. Newton; Sir Michael and Lady Cobham; Sir Ernest and Lady Harrison; Mr and Mrs L.A. Edwards; Mr and Mrs T. Grenson; Sir Richard and Lady Evans; The Hon Mrs Katherine Andrews and Dr Andrews; Maj-Gen T.I. Oelstrom, OC 3rd USAFE, and Mrs Oelstrom; Mr and Mrs John Weston; Mr and Mrs Norman Barber; Mr and Mrs Michael Marshall; Mr and Mrs Alan Curtis; Mr and Mrs John Ferrie; Air Vice-Marshal and Mrs H. Bird-Wilson; Air Vice-Marshal A. Maisner, President, Polish Air Forces Association, and Mrs Maisner; Air Vice-Marshal A.L. Roberts, Chairman, Coastal Command Association and Mrs Morgan; Air Commodore J.D. Hargreaves, Secretary General, RAF Forces Association, and Mrs Hargreaves; Mr R.P. Gadd (representing the Chairman of the Aircrew Association); Wing Cdr N.P.W. Hancock, Secretary, Battle of Britain Fighter Association, and Mrs Hancock; Mr and Mrs Sydney Dowse.

Church appointments

Canon Jonathan Gledhill, Vicar, St Mary Bredin, Canterbury, diocese of Canterbury, and an Honorary Canon of Canterbury Cathedral, to be Suffragan Bishop of Southampton, in the diocese of Winchester, succeeding the Right Rev John Perry, now Bishop of Chelmsford.

The Rev Marc Boutan, Assistant Priest, St Andrew's, Mount Pleasant (South Carolina, ECUSA): to be Assistant Priest, Holy Trinity Pro-Cathedral, Brussels (Europe).

ROYAL ENGAGEMENTS

The Duke of Kent attends the Queen Charlotte's Ball, Grosvenor House, London W1.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

هكذا من الأصل

هكذا من الأصل

The City will be looking for Strong medicine from struggling Sears

STOCK MARKET WEEK

DEREK PAIN
Stock market reporter of the year

Liam Strong, the beleaguered chief executive of the sprawling **Sears** retailing empire, faces more inquisitions when he presents to a hostile stock market another lamentable set of interim results tomorrow.

The Selfridges department store to Freemans mail order business has already indicated more distress and after the Facia fiasco enthusiasm for the group is at a low ebb.

In the past six months Mr Strong has had to face angry institutional investors, calls for his sacking at the yearly shareholders' meeting and the confusion – and mounting costs – that surrounded the sale of some of Sears' shoe operations.

When he arrived four years ago the shares were 100p; they ended last week at 94.5p. Sears was the Cinderella of the retail scene long before Mr. Strong appeared. Although he has chopped and changed, the problems he inherited have so far proved insurmountable.

Half-time profits are likely to be down 14 per cent to £26m, but once a raft of provisions have taken their toll a modest £1.5m is probably the best hope. There have not been any signals of a BTR-style dividend cut. An unchanged 1.05p a share is the guess although with profits almost disappearing the scrapping of the payment could be regarded as prudent.

Selfridges remains the star in the Sears firmament. Its profits will have increased, from £11m to £13m. There have been suggestions the still ramshackle empire should develop its department store arm by repeating the Selfridges experience in other cities. In the meantime it is contenting itself with expanding its famous store in London's Oxford Street.

Year's profits of £110m (£85m after provisions) are expected. At its peak the group managed £153.8m.

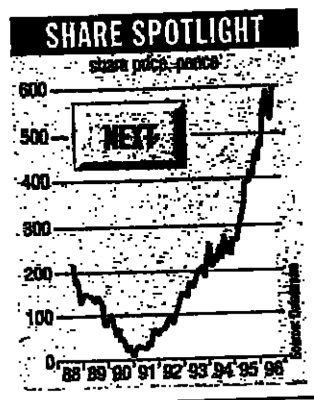
For Mr Strong time is rapidly running out. He is, it could be said, in the last-chance store. The chief executive is said to have the unanimous support of his co-directors, headed by former British Rail chief, Sir Bob Reid, but there is seething discontent among shareholders, big and small. The market will be watching for evidence of improved operational controls and whether a significant sales increase – after all it should be a prime beneficiary of any feel-good factor seeping through – becomes evident in the second half-year.

As Sears struggles, a retail chain that teetered on the brink of disaster six years ago is likely to be accorded a joyous reception when it produces its interim results on Wednesday.

The slump experienced by shares of Next seemed to herald oblivion for the trendy group. At the time of the 1987 crash they were around 360p. Come the dawn of 1991 and the price was in single figures with the market convinced the business was about to go bust.

Next subsequently staged an astonishing revival; it is the ultimate recovery share, nudging 600p last week. Its comeback was masterminded by Lord Wolfson of Sunningdale, chairman, and David Jones, managing director. Lord Wolfson is chairman of Great Universal Stores, a dual role which has convinced many that GUS, once known as "Gorgeous Gussies" in the market, will merge with Next and Mr Jones will be chief executive of the enlarged group.

SHARE SPOTLIGHT



On Wednesday the latest episode in the retail masterpiece should be evident with interim profits up nearly 25 per cent to £55m. John Richards and Sean Eddie at NatWest Securities look for £155m for the year. But, no doubt thinking of Next's remarkable record, they say: "The hold which the Next brand has over consumers shows no signs of weakening and against an improving consumer background the only danger must the likelihood of further upgrades."

Retailers have a strong presence in another busy reporting week which starts with blue chips riding at record levels and Footsie expected to soon burst through the 4,000 barrier. With the autumn results season in full swing more than 100 companies have booked places on the week's results schedule.

Tesco, which prompted the present round of price-cutting and took some of the sparkle out of superstore shares, should manage a comfortable 10 per cent gain to £320m when it discloses interim figures tomorrow.

Many believe the market over-reacted to the price cuts. Such events are a traditional part of superstore trading. There are, it would appear, few sign of any desperation responses from Tesco's deadly rivals and the cuts are no more than the usual autumn round of pre-Christmas price promotions.

Wm Morrison, one of the smaller supermarket chains still trading under its own banner, is feeling the pinch of competition from its bigger rivals. It is likely to check in with half-year profits little changed at £51m. As Morrison feels the squeeze it becomes increasingly vulnerable to a takeover strike.

Laura Ashley, the home furnishing chain, is another retailer in recovery mode. Interim profits should have doubled to £6m. The once-ailing chain has been reshaped by American Ann Iveson who has embarked on a programme of rolling out larger stores and closing smaller, unprofitable units.

Investors who backed the **Redrow** housebuilding group when it floated two years ago must be hoping spectacular figures today will drag their shares above the 135p issue price. They are likely to be disappointed. Year's profits are expected to show a 12 per cent fall to around £26.5m. There has been some market unease that founder and controlling shareholder Steve Morgan has moved his home to the Channel Islands.

His relocation to Britain's favourite tax haven has, not surprisingly, raised questions about his commitment to what is essentially a fairly local type of business. According to NatWest Mr Morgan is still "actively involved in the group (and some would say more so than before) but the group needs to be conscious of the City's concerns".

Others reporting include **Dalgety**, the pet food group expected to be down at £46m from £93.7m over the year, and **Laporte** with interim figures of £57m (£67m).

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.
Other details: r Ex rights x Ex-dividend a Ex all u Unlisted Securities Market s Suspended pp Partly Paid pm Nil Paid Shares. ‡ AIM Stock Source: FT Information

The Independent Index

The index allows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 335, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.

FT-SE 100 – Real-time	00	Sterling Rates	04	Privatisation Issues	38
UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	Tokyo Market	21	High Street Banks	41

Anyone with a tone-dial telephone can use this service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 123 333. For assistance, call our helpline 0171 873 4375 (9.30am - 5.30pm).
Calls cost 39p per minute (cheap rate), and 49p at all other times. Call charges include VAT

Interest Rates

UK		Germany		US		Japan	
Base	5.75%	Discount	2.50%	Prime	8.75%	Discount	0.50%
France		Lombard	4.50%	Discount	5.00%	Belgium	
Intervention	3.55%	Canada		Fed Funds	5.25%	Discount	2.50%
Italy		Prime	7.00%	Spain		Central	3.00%
Discount	8.25%	Discount	5.00%	10-Day Repo	7.25%	Switzerland	
Netherlands		Denmark		Sweden		Discount	1.50%
Advances	2.50%	Discount	3.25%	Repo (Ave)	5.15%	Lombard	4.125%

Alcoholic Beverages

Banks, Merchant

Banks, Retail

Breweries, Pubs & Rest

Building/Construction

Building Materials

Chemicals

Distributors

Diversified Industrials

Electricity

Electronics

Engineering

Engineering Vehicles

Extractive Industries

Food Manufacturers

Gas Distribution

Health Care

Household Goods

Insurance

Internationals

Investment Companies

Investment Trusts

Leisure & Hotels

Life Assurance

Media

Oil Exploration

Oil, Integrated

Other Financial

Pharmaceuticals

Printing & Paper

Property

Retailers, Food

Retailers, General

Support Services

Telecommunications

Textiles & Apparel

Transport

Water

Government Securities

Index-linked

Shorts

Mediums

Longs

Undated

THISTLE HOTELS
CALL NOW
FOR A MINI PROSPECTUS & APPLICATION FORM
0500 40 40 55
HARGREAVES LANSDOWN STOCKBROKERS LIMITED
Regulated by the SFA Ltd
Share Shop
THIS ADVERTISEMENT IS ISSUED BY, AND IS THE SOLE RESPONSIBILITY OF HARGREAVES LANSDOWN

Gavyn Davies: Fed must keep inflation down 17
Interview: Helmut Werner 17
Stock market week/ share prices 15

CITY & BUSINESS EDITOR: JEREMY WARNER
BUSINESS NEWS DESK: tel 0171-293 2636 fax 0171-293 2098

Carlton seeks guidance on a bid for HTV

MATHEW HORSMAN
Media Editor

Carlton Communications, Michael Green's media conglomerate, has sought informal guidance from television regulators about its plan to bid for HTV and Westcountry, the ITV licence-holders for Wales and the west of England.

The move marks the clearest sign yet that Mr Green seeks to expand further in the commercial television market in the UK following liberalisation of ownership rules under the new Broadcasting Act. If Carlton goes ahead with the takeovers, and if Granada moves, as expected, to acquire Yorkshire-Tyne Tees, the northern ITV franchise holder, two companies will end up owning half the ITV licences in the UK.

Granada, the media and leisure giant, already holds the licences for London Weekend and the North-west of England, while Carlton owns the London weekday and Central licences.

According to informed sources, Carlton sought indications from the Independent Television Commission about whether the 25 per cent limit on share of television advertising would be rigorously applied. Carlton's sales house already accounts for about a quarter of all ITV advertising slots.

It is understood that the ITC will hold fast to the ceiling, but has conceded that the launch of Channel 5 early next year is likely to reduce the advertising share accruing to Carlton, thus freeing it to expand further.

A bid for HTV has been expected for several months, but Mr Green has made it clear he does not intend to over-pay. Takeover speculation has pushed HTV's shares sharply higher in the past year. They closed on Friday at 336.5p, equivalent to more than 30 times expected 1996 earnings.

Granada, too, has held back from making a full bid for Yorkshire-Tyne Tees, which is currently trading at well over £12 a share. It is expected that the two predator companies will wait to see whether the takeover premiums attached to HTV and YTT subside in coming months.

A bid for HTV by Carlton could be accompanied by an offer for Westcountry, media analysts speculated over the weekend. Indeed, it is considered possible that HTV may bid for Westcountry on its own before a Carlton approach materialises. That possibility was thought to be behind Carlton's request for ITC guidance on both HTV and Westcountry.

Westcountry, owned by the Daily Mail & General Trust, Brittany Ferries and South West Water, has appointed Lazard Freres, the merchant bank, to help it prepare for a possible flotation. However, the *Independent* has learned that Lazards has approached other ITV companies about engineering a trade sale. Lazard executives visited HTV on Friday to discuss the possibility of an agreed bid for Westcountry.

HTV and Westcountry together represent about 8 per cent of total ITV advertising sales. Their ad business is handled by TSMS, the sales house owned by United News & Media, Lord Hollick's print and television conglomerate.

Carlton has attempted to take advantage of HTV's dissatisfaction over its arrangements with TSMS by suggesting it could do a better job of selling HTV's advertising time. A Carlton sales insider insisted late last week, however, that any deal to shift HTV's business from TSMS to Carlton would only be possible once Channel 5 was up and running.

"The rules wouldn't allow us to do it now," the source said. "In any event, such a deal would be made redundant by a takeover of HTV by Carlton."

UNM was a wild card in the current climate, media analysts said. "It cannot afford to lose the HTV and Westcountry business," said one.

As a consequence, Lord Hollick might also emerge as a bidder for HTV, in a bid to safeguard its ad sales arrangements.

"He will want to emerge as the second bidder," said one senior ITV source. "The best scenario for Hollick is to wait for Carlton to move, and then to present himself as the white knight."

Delayed payouts by lottery provide £2bn boost for Treasury

DIANE COYLE
Economics Editor

Delays in making payments to good causes from National Lottery funds have boosted the Government's finances to the tune of more than £2bn. The stockpile of money will make it easier for Kenneth Clarke, Chancellor of the Exchequer, to announce tax cuts in November's Budget.

Camelot, the lottery operator, has paid more than £2.4bn into the National Lottery Distribution Fund. But only £343m has been distributed so far because so many of the projects which have received awards have had difficulty raising the required matching funds.

The remainder, amounting to more than £1bn a year since the National Lottery was launched in November 1994, has gone into the Government's coffers. The fact that it is considered as general government revenue means it has reduced the public sector borrowing requirement. The PSBR is regarded by the City as the key measure of the Government's budget deficit. Anything that helps Mr Clarke keep it down will give him extra scope to cut taxes, with £2bn equivalent to 1p off the basic rate of income tax.

"The impact of the lottery on the PSBR is taken into account, along with all other factors, in setting fiscal policies," a Treasury source said.

However, few independent economists would expect the Chancellor to set a tougher borrowing target to offset the impact of the lottery funds.

David Mackie, an expert at City investment bank JP Morgan, said: "The Government will probably end up cutting taxes by more than people are expecting and will still be able to publish a favourable PSBR outlook."

He predicted that the economic recovery would also help improve the Government's borrowing position. "If they give away that cyclical improvement as lower taxes, the next government will have to claw it back," he said.

In evidence to the National Heritage Committee of the House of Commons earlier this year, the Treasury predicted the delay in paying out lottery grants would flatter the PSBR by a maximum of £1.5bn this year. The boost to the government finances would then settle down at about £1bn, it suggested.

The Treasury's experts had expected the rate at which payments were made to increase dramatically to £1.4bn in the current financial year from only £300m in 1995/96 but this now looks an ambitious target.

Barry Bracewell-Milne, author of a new book about the lottery, has defended the matching funds requirement. "It does make concrete the Treasury's commitment to make lottery funding additional rather than a substitute for general government spending," he said. But he criticised the lengthy delays in making payments.

A plan to help Third World countries with interest payments is facing opposition

Last chance: Britain has been urged to use its influence to push through initiatives to relieve debt in the Third World

IMF postpones decision on debt

Hopes that the world's poorest countries will gain relief from their crushing burden of international debt faded at the weekend after a meeting of the International Monetary Fund's board postponed a decision on how to finance its contribution to a proposed debt reduction plan, writes Diane Coyle.

Clare Short, Labour's overseas development spokesman, said yesterday that the forthcoming annual meetings of the IMF and World Bank could prove the last chance to make progress on lifting the burden of interest payments weighing down the Third World. "Britain is a significant power on the board of the IMF and must use this considerable influence to push through real initiatives to relieve debt," she said. The IMF and World Bank, she added, spent billions of pounds of taxpayers' money. "We have a right to know how this money is spent and why there has been such a failure to reduce world poverty."

A spokeswoman for Oxfam in Washington said it was essential to take advantage of the greatest opportunity there had been for many years to reduce the burden of debt.

Kenneth Clarke, Chancellor of the Exchequer, has been at the forefront of the drive to develop a $5.6bn-$7.7bn (£3.6bn-£5bn) six-year plan to cut payments by developing countries on their debt to international institutions. He has won wide acceptance for his suggestion that the IMF should sell a small part of its gold reserves and use the income from reinvesting the proceeds for debt relief.

Earlier this month the plan took a significant step forward when the IMF supported the idea for the first time. Until then the fund had been unwilling to agree to the principle of writing off any of the debt it is owed by poor nations.

However, the German government has implacably opposed this proposal even though Chancellor Helmut Kohl supported a Group of Seven statement earlier this summer on the urgent need for a solution to the debt problem.

If Germany blocks the move at next month's annual meetings in Washington, the web of plans to reduce Third World debt to individual governments is also likely to collapse.

The "Paris Club" of countries owed money by developing countries is due to discuss next week whether to agree to reduce bilateral debt by up to 90 per cent. The problem is also high on the agenda for discussion at the Commonwealth Finance Ministers meeting in Bermuda next week.

Commonwealth countries, led by Secretary General Chief Emeka Anyaoku, are lobbying urgently ahead of the annual IMF and World Bank jamboree. Discussions at the traditionally glittering occasion, characterised by lavish parties for the world's bankers and finance officials, could prove to be turbulent.

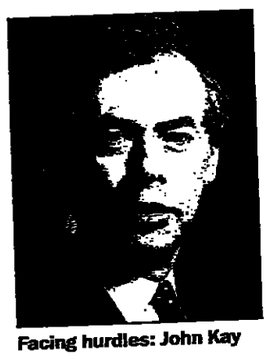
Kay to launch Oxford MBA

CHRIS GODSMARK

Professor John Kay, one of Britain's best-known economists, has been appointed to run Oxford University's School of Management Studies as it plans an ambitious £40m expansion.

As director of the School of Management he will be in charge of Oxford's first MBA course with an initial 40 student places planned to increase to 120 places by 1998. Oxford's project involves building a new business school on playing fields near Mansfield College close to the centre of the city.

It was made possible by a controversial £20m donation from Wafic Said, the Syrian-born entrepreneur who helped to arrange the huge Al-Yamamah arms deal between Saudi Arabia and the UK. The university still faces severe hurdles before the chosen site can be developed.



Facing hurdles: John Kay

Foremost among these is the difficult task of raising matching funds of £20m and securing planning approval for the site.

Professor Kay said he wanted to establish the Oxford MBA course, which he will help to teach, as a subject strongly backed by existing disciplines such as sociology, economics and psychology.

From next January Professor Kay will step down as chairman of London Economics, the consultancy firm he co-founded and built up into a business with annual sales of £6m. He will be replaced by Baroness Hogg, who as Sarah Hogg was the first business editor of the *Independent* in 1986. She went on to be the head of the Downing Street Policy Unit.

City turns up heat on Olivetti

MICHAEL HARRISON

Leading institutional investors in Olivetti are to press for the appointment of an independent non-executive chairman at the crisis-hit Italian computer group during a series of crunch meetings in London tomorrow with the company's embattled chief executive, Francesco Caio.

One large London-based investor also said it would insist on a clear and transparent breakdown of Olivetti's exact financial position, otherwise it would have to review its investment in the company.

Olivetti was plunged into crisis two weeks ago after its long-serving chairman, Carlo De Benedetti, was forced out after 18 years at the helm, only to be followed by its chief financial officer, Renzo Francesconi, who quit, alleging that the extent of its first-half losses had been disguised.

London-based fund managers controlling more than a quarter of Olivetti's shares were instrumental in the departure of Mr De Benedetti and have pressed for a meeting with the Olivetti management since Mr Francesconi's claims. Olivetti shares closed at L590 (26p) last week against the L1,000 foreign investors paid in a £913m rescue rights issue last December.

Between 30 and 40 per cent of Olivetti's shares are held in London. ING Barings Asset Management is one of the biggest shareholders with a stake of just under 6 per cent. Other shareholders include Nomura Capital Management, Mercury Asset Management and Philips and Drew Fund Management.

Mr Caio is due to speak to investment analysts and institutions in Italy today before flying over to Britain to do the same in London tomorrow. One institutional investor said: "We will be pressing for clarification of Olivetti's strategy and management structure. We would be much happier if a non-executive chairman was appointed from outside to represent outside shareholders. But most of all people want to know what the real numbers are and what Olivetti's financial standing is.

"It is all very well putting new management in but the question is whether we are left with a company worth managing. We are looking at a company whose prospects have deteriorated significantly compared with expectations only a fortnight ago."

Olivetti, which reported a L440bn loss for the first six months of the year, has been in turmoil since Mr De Benedetti's resignation and the subsequent allegations by Mr Francesconi. Its shares have twice been suspended, it has been hauled before the Italian stock market watchdog, Consob, to answer questions about its results, and Mr Caio has appeared before the industry commission of Italy's influential upper house Senate.

Mr Caio told the commission last week that Olivetti was seeking a partner for its loss-making personal computer division and its office equipment company, Lexikon.

Eastern increases gas prices

CHRIS GODSMARK
Business Correspondent

Eastern Group, the regional electricity firm which has become the second-biggest supplier of gas to industry, has raised its gas prices by up to 40 per cent, bringing to an end a bonanza of low-cost energy supplies for companies.

The move follows revelations in the *Independent* earlier this month that Eastern's policy of grabbing market share by selling gas too cheaply had left the group facing losses of tens of millions of pounds.

Over the past few weeks the market price of gas has soared, leaving many suppliers with low-price contracts to sell fuel in the competitive business market at a substantial loss.

However, the increase in the spot price for gas could significantly help British Gas, which is burdened with £40bn worth of take-or-pay contracts to buy gas at inflated prices.

Eastern said its stocks of gas secured earlier this year when prices were low had largely been exhausted. "We've reviewed our forward portfolio for next year. As we buy more gas our prices have got to go up," said Trevor Turner, the managing director of Eastern Natural Gas, the supply operation. "You've got to keep your eye on the ball. We are continually analysing our business."

Mr Turner said Eastern had recently started selling its gas around the current "spot" price of 14p a therm. This represents an increase of up to 40 per cent over its previous average price to industrial customers of about 10p to 11p a therm.

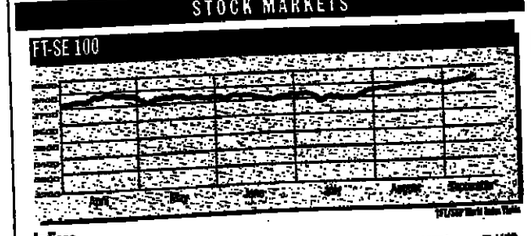
Eastern, acquired last year by Hanson, confirmed that Mr Turner was to leave the gas business next month. He has been promoted to the role of director of business development and will be responsible for managing the transition to domestic competition for electricity supplies, due in 1998.

The increase in Eastern's gas prices could trigger price rises by other gas suppliers, significantly increasing industry's energy costs. Gas brokers last week confessed to being "staggered" at the rise in the spot price, which is trading at its highest level for almost two years. The price of gas for winter delivery rose on Friday to more than 17p a therm, an increase from just 10p a therm in May.

One suggestion is that British Gas has been withholding supplies from the market to raise the price, though executives deny this. Its North Morecambe field has not produced any gas for months, and the company is believed to be buying more gas than usual on the markets through Accord Energy, its trading arm.

Rising gas prices could help to reduce mounting losses on British Gas's take-or-pay contracts, which guarantee to buy gas from offshore producers at around 19p to 20p a therm. The increase in spot prices from 10p to between 14p and 17p a therm has relieved some of the pressure.

STOCK MARKETS

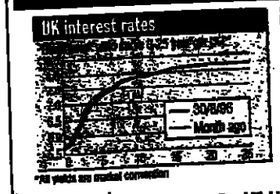


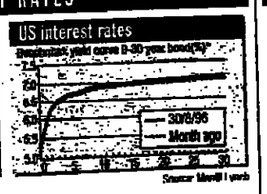
Indices

Index	Close	Week's chg	Change(%)	1996 High	1996 Low	Yield(%)
FTSE 100	3967.90	+74.9	+1.9	3967.90	3632.30	3.92
FTSE 250	4453.30	+50.1	+1.1	4568.60	4015.30	3.41
FTSE 350	1981.30	+34.2	+1.8	1981.30	1816.60	3.81
FT Small Cap	2185.16	+17.4	+0.8	2244.36	1954.06	3.03
FT All Share	1956.76	+32.4	+1.7	1956.76	1791.95	3.75
New York *	5838.52	+178.7	+3.2	5838.52	5032.94	2.24
Tokyo	20842.64	+690.1	+3.4	22666.60	19734.70	0.77†
Hong Kong	11369.04	+343.5	+3.1	11594.98	10204.87	3.57†
Frankfurt	2595.96	+79.0	+3.1	2595.96	2253.36	1.80†

Source: FT Information

INTEREST RATES





*All yields are market correction

Money Market Rates

Index	1 Month	1 Year
UK	5.69	6.06
US	5.38	6.13
Japan	0.50	0.57
Germany	3.06	3.19

*Benchmark indices

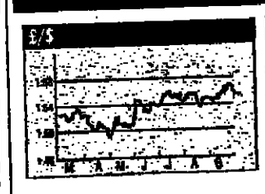
Bond Yields *

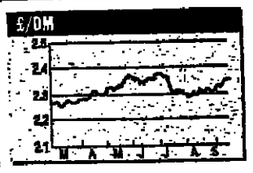
Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago
7.72	7.82	7.84	7.90
6.72	6.12	6.96	6.48
2.90	3.01	-	-
6.22	6.50	6.95	-

MAIN PRICE CHANGES

Rises - Top 5	Price (p)	Wk's Chg (p)	% Change	Falls - Top 5	Price (p)	Wk's Chg (p)	% Change
Danka Busi Sys	682.5	207.5	43.7	Clark(Matthew)	365	308	45.8
P & O	602.5	85.5	16.5	TLG	116	54.5	32.0
Caradon	255.5	35.5	16.1	British Biotech	192.5	21	9.8

CURRENCIES





Pound vs.

	Close	Week's Chg	Yr Ago
$ (London)	1.5544	-0.89c	1.5505
$ (N York)‡	1.5545	-0.65c	1.5527
DM (London)	2.3509	+2.39pf	2.3095
¥ (London)	171.845	+Y0.722	160.940
£ Index	86.2	+0.5	85.6

Dollar vs.

	Close	Week's Chg	Yr Ago
£ (London)	0.6433	+0.36	0.6450
£ (N York)‡	0.6433	+0.27	0.6440
DM (London)	1.5124	+2.39pf	1.4875
¥ (London)	110.425	+Y1.090	103.855
$ Index	97.3	+0.8	96.1

OTHER INDICATORS

	Close	Week's chg	Year Ago
Oil Brent $	24.22	+0.56	17.12
Gold $	383.20	+1.15	385.30
Gold £	246.53	+0.89	248.13

	Index	Latest	Yr Ago	Next Figs
RPI	153.1	2.1pc	149.8	12 Sep
GDP	107.9	+0.4pc	126.9	24 Sep
Base Rates	—	5.75pc	5.75	—

IN BRIEF

• **Lloyd's of London** has signed an agreement with the state of Illinois representing a final resolution of all claims and disputes arising from the participation of Illinois names in the insurance market. The agreement extends to Illinois names the benefits of an accord reached between Lloyd's and the Co-ordinating Committee of the North American Securities Administrators Association earlier this year. More than three-quarters of the 2,900 US names have accepted the $5bn settlement offer.

• **Deutsche Bank** says the cost of covering losses from the hole in investment funds uncovered at Morgan Grenfell Asset Management will be less than DM420m (£180m). *Bloomberg*

• **Wedgwood**, the British porcelain maker, is seeking a stake in Rosenthal, Germany's troubled tableware and porcelain group, according to German press reports.

• **Peptech**, an Australian-based drugs research company quoted in Sydney, plans to raise at least £10m via a private placement and seek a secondary listing on the London Stock Exchange later this month.

هكذا من الأصل

هكذا من الأصل

Fed must raise rates to keep the lid on inflation

GAVYN DAVIES

'Economic upswings do not, in general, die naturally of old age. They die of inflationary excess, followed by the tightening in monetary policy which is necessary to cure that excess. So far, none of this has happened'

The Federal Open Market Committee – the policy arm of the Federal Reserve in Washington – will meet next Tuesday to decide whether to break with its normal practice and tighten American monetary policy in the midst of a presidential election. Given the fact that Alan Greenspan, chairman of the Fed, has always been a gradualist in his policy actions, and has never wished to antagonise the politicians, it may seem surprising that a rate rise is on the agenda at all for next week.

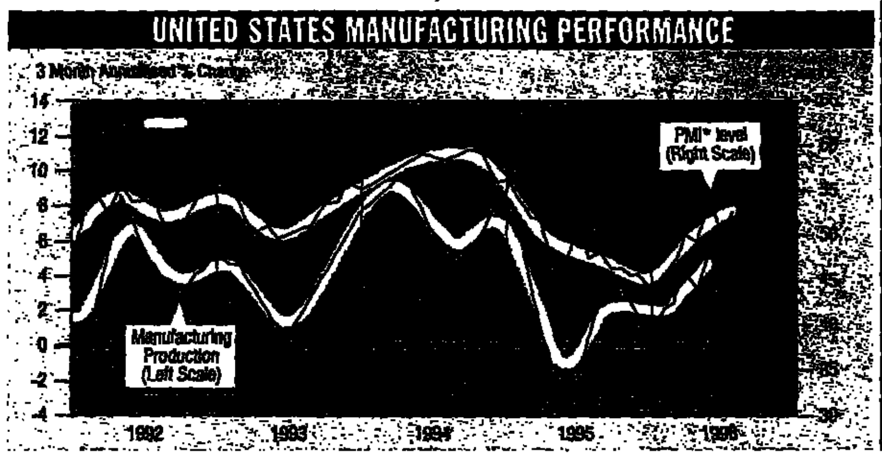
After encouraging inflation data, the world's financial markets on Friday clearly came to the view that the Fed will once again leave rates unchanged. Yet the decision is likely to be a close-run thing, and even if nothing is done next week, the pressures for a significant tightening in monetary policy before the end of the year are becoming irresistible. The basic case for a rate rise is that the economy is already working at above its normal level of capacity; that it is also growing at more than its trend rate; that the existing setting of monetary policy is not tight enough to depress GDP growth to below trend; and that early warning signals of inflation pressure are already very evident in the labour market. Let us consider each of these factors in turn.

The normal level of capacity in an economy depends on a combination of the level of unemployment relative to its natural rate, and the rate of utilisation of plant and equipment. Both of these concepts, as ever in economics, are subject to some ambiguity. A comprehensive study published by the National Bureau for Economic Research this year by Messrs Staiger, Stock and Watson (NBER Working Paper 5477) came up with a central estimate for the natural rate of unemployment in the US of 6.2 per cent. They also said they could be 95 per cent certain on statistical grounds that the true rate lies in the range 5.1-7.7 per cent. The level of actual unemployment today is 5.1 per cent, exactly at the bottom end of this range, which means we can be 95 per cent certain it lies below the natural rate.

Turning to plant capacity, utilisation rates have dropped slightly in the past 12 months, but remain well above their historical average. Taken together, the fact that unemployment is below its natural rate, and plant capacity is above average, must inevitably imply the level of GDP is above equilibrium. Sure enough, the latest estimate from Goldman Sachs shows GDP in 1996 will be about 0.9 per cent above trend, which implies inflation pressures in the economy should already be rising. Furthermore, in recent months the growth rate of the economy has been running at 3-4 per cent, well above the long-run trend rate of 2 per cent. Therefore, the gap between output and trend is widening when it should be doing the opposite.

Optimists would claim there are already grounds for believing the economy is slowing. Consumer spending has not maintained the break-neck pace of growth seen earlier in the year, and some consumers appear to be curtailing borrowing in response to rising debt. Furthermore, they say, the investment cycle is overdue for a sharp downturn following the strength of recent years. But none of this is convincing.

The increase in consumer debt has been swamped many times over in the past 18 months by the increase in household assets, driven largely by an equity market up by about 50 per cent in 18 months. By no means has all of the resulting rise in household wealth yet impacted on consumer spending, which is probably taking only a temporary breather after being boosted by large tax rebates in the spring. Meanwhile capital spending stays surprisingly strong. As the graph shows, the manufacturing sector seems to be emerging strongly from the mini-dip that occurred last winter.



Economic upswings do not, in general, die naturally of old age. They die of inflationary excess, followed by the tightening in monetary policy which is necessary to cure that excess. So far, none of this has happened. On almost all measures, monetary policy is no tighter than neutral. True, the real short-term interest rate stands at around 3 per cent, while the historical average is only about 2 per cent. But there are reasons for believing the "neutral" real rate has risen compared with its historical average, including the lifting of interest rate ceilings in the early 1980s, and the strong rise in public sector debt throughout the past two decades.

Other symptoms of tight money are clearly absent. Growth in broad money (M2) is near the top end of its target range. Equity prices hit new highs every time the markets become optimistic that the Federal Reserve might not raise rates, as we saw with the surge on Wall Street last week. (So much for the view that the central bank can stand back and let the financial markets do the work of contracting the economy all by themselves.) And the Goldman Sachs Monetary Conditions Indicator, which combines the levels of short rates, long rates and the dollar, suggests the present stance of overall monetary policy is a little easier than it has been on average over the past decade.

The upshot of this is that policy has not yet been tightened enough to puncture the long upswing in economic activity which started in 1991. Now that output is clearly above trend, inflation pressures are likely to build gradually until the Fed has tightened enough to bring the growth rate in GDP down to 2 per cent or less. The longer it waits to do this, the greater the inflationary pressure which will subsequently need to be squeezed out of the system.

It is at this point that the optimists play their trump card. The trend rate of growth in the economy, they claim, is no longer around its historical average of 2 per cent, but has risen to 3 per cent or more as a result of the favourable supply side changes within the US economy, and the competition from unskilled workers in emerging economies which has reduced the natural rate of unemployment. It is indeed possible that both of these factors have been at work to a limited extent, but the acid test is whether inflation pressures have in fact started to rise since output moved above traditional estimates of "trend".

The news here is mixed. Consumer price inflation has not really budged up or down for several years now, and seems to be benefiting from the intense competitive pressures which exist in the American retail sector. But in the labour market wage inflation is clearly rising. After troughing at 2 per cent in 1993, hourly wages are rising at a rate of over 3.5 per cent. Furthermore, the Fed's own "Beige Book", which reports on business conditions around the US, took the unusual step last week of promoting to the front of the publication a sharp warning that wage pressures are rising in many parts of the country. If the Fed heeds the warning of its own staff about wage pressures, then it really should tighten policy next week.

The tornado of Mercedes has a way of driving a hard bargain

ELISABETH KLEIN

A[illegible] looks at you over a pair o[illegible]-moon spectacles, Helmut [illegible]r, the white-haired, con[illegible]vely dressed chief exec[illegible] Mercedes Benz, looks [illegible]gh he has just stepped [illegible]an advert for one of his [illegible]ars.

[illegible] the 60-year-old's radical [illegible]sformation of Mercedes [illegible]elies his old-fashioned image and the traditional aura that has for so long surrounded the company itself. "For decades we set our game plan according to the market. But after the Eighties, as Mercedes' enormous profits came to an end, we had to make an abrupt change," says Mr Werner.

Increasingly tough competition for luxury cars, the worldwide recession and changing customer demands made the automobile giant reel. When Mr Werner took over as chief in 1993, with the company deeply in the red, clients were no longer prepared to wait more than two years for an order.

Spoiled with success over the past decades, he freely admits Mercedes became fat and sluggish: production costs of competitors were 20 per cent lower. But Mr Werner, a former German backstroke champion, was determined to give the company a new lease of life.

His first move to define a new strategy placed more emphasis on productivity, product planning and global markets. But it is when the conversation switches to Mercedes' future that Mr Werner gets excited. "Over the next few years you'll find us developing lots of new models and appearing in lots of new product sectors and markets where there's potential."

And the change is already under way. For a start there's the extraordinary joint venture with Swatch, the Swiss watch maker, to develop the so-called "Smart car", due to be launched in 1997. This motorised shopping trolley is expected to cost about £6,000, a third of the price of the cheapest Mercedes cars.

"There is an enormous market for vehicles like the Smart car," Mr Werner claims. But the venture also involves huge risks. Mercedes lives off its exclusive reputation and cannot afford to devalue its brand image. Mr Werner's dilemma is that the projected growth in the market for big cars is minimal.

Mercedes also plans a small car of its own to compete in a higher price bracket with similar offerings from Audi and BMW. There's a four-wheel drive joint venture with Porsche which will take on the likes of Land Rover.

The innovative approach is not limited to products themselves. Mercedes is working on a leasing deal that will give existing leasing customers the chance to drive different models when they want. They could have an open-top car in the summer, a four-wheel drive in winter, a limousine for special occasions.

Mr Werner expects pool-leasing eventually to be as common as conventional leasing is now. Pilot projects have started in Britain and Germany.

Trucking: Helmut Werner says much remains to be done

THE MONDAY INTERVIEW

HELMUT WERNER

Employees have nicknamed Mr Werner the tornado. He makes so many things happen, they say, that you never know what is coming next. But one thing that will definitely stay on Mr Werner's list for a while is the loss-making truck business.

"We expect the truck division to be back in the black in 1998, but there's still a long way to go to improve productivity."

Mr Werner's approach hasn't made him a lot of friends in the European businesses. In the past few years Mercedes has cut 30,000 jobs, most of them in its German heartland.

At present it makes 5 per cent of its passenger cars outside Germany, but Mr Werner estimates that in 10 years this could soar to 25 per cent. Significantly, the new Smart car will be built in France.

"The days of exporting everything are gone. In Brazil, for example, they have import duties of 70 per cent, which means that we can only sell a big number of cars there if we produce in the country," he explains.

There are pressing financial reasons for Mercedes to "go global" as well. The Alabama plant helps the company to manage its foreign exchange operations. Last year Mercedes had to face enormous currency losses due to the strength of the mark against the dollar. Perhaps this is one reason Mr Werner is such a convinced advocate of European Monetary Union.

"Last year's currency turbulence in Europe burdened Mercedes-Benz alone with extra costs of DM600m [£255m], which means we have to cut our costs by the same amount because we can't put up our prices. This means for Germany 6,000 jobs are in danger, which tells us that we have more to fear from the present currency situation than from EMU."

And if his present form is anything to go by, Mr Werner will get his way on EMU, as he does with most other things.

Next week he meets Hans Tietmeyer, head of the Bundesbank, to discuss the single currency. Mr Werner drives a hard bargain.

This notice is issued in compliance with the requirements of London Stock Exchange Limited (the "London Stock Exchange"). Application has been made to the London Stock Exchange for admission to the Official List of the undermentioned securities. This notice is not for release, publication or distribution in whole or in part in or into the United States of America, Canada, Australia or the Republic of Ireland.

THE DAVIS SERVICE GROUP PLC

(Incorporated and registered in England and Wales under the Companies Acts 1948 to 1976 with registered number 1480047)

DAVIS FINANCE PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3224863)

The Davis Service Group Plc ("Davis") is raising approximately £71.5 million (net of expenses) by way of a 1 for 3 rights issue of 34,403,585 units of convertible unsecured loan stock ("Stock Units") of Davis Finance plc ("Davis Finance") at 215p per unit. Each Stock Unit is convertible into one new Davis Ordinary Share of 25p upon the completion of the acquisition by Davis of Spring Grove. If the Stock Units are not converted in accordance with the Deed Poll, the full amount of the rights issue price paid up on the Stock Units will be repaid together with the interest accrued. Davis has agreed unconditionally and irrevocably to guarantee the payment of all sums payable by Davis Finance on or in respect of the Stock Units.

The principal activities of Davis are textile maintenance, site services and support services.

Copies of the listing particulars and prospectus relating to Davis and Davis Finance dated 5 September 1996 (the "Circular") may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) for a period of 2 business days from the date of this notice up to and including 18 September 1996 from the Company Announcements Office, Capel Court Entrance (accessed via Bartholemew Lane), Old Broad Street, London EC2N 1HP and, until 23 September 1996, from:

The Davis Service Group Plc
4 Grosvenor Place
London SW1X 7DL

Lloyds Bank Registrars
The Causeway
Worthing
West Sussex BN99 6DA

(Terms defined in the Circular have the same meaning in this notice)

Kleinwort Benson Limited is sponsor to the issue

16 September 1996

BUSINESS TO BUSINESS

Opportunities

CASH FLOW OPPORTUNITY
☐ Highly Profitable One Person Operation
☐ No Selling
☐ 4-5 Hours Per Week
☐ Can Operate from Home or Office
☐ Training Given
☐ Excellent After-Sales Service
☐ Full Figures Available
INTERDATA U.K. LIMITED
2nd Floor, Windsor House
55 St. James's Street, SW1
For Free Information Pack FREECALL
0500 827 853

WHAT IF...
What if there was a simple, ethical and exciting way to earn an extra £2000 per month in your spare time?
THERE IS!
Tel: 0115 942 7758
24 hour recorded message.

Dove
TRAVEL
Start your own Travel brokerage
For free info pack ring 01782 717565

Internet Tutorial
Multimedia Tutorial Guide to the Internet
3 months free access
All for £19.50!
Send cheque payable to 'Haslam Technological'
Haslam House, 1 Grange Park
Nottingham NK12 8HW
(Write delivery details on back of cheque)
Tel: 0115 942 4406 (24hrs)

MANUFACTURERS
If you are seeking assistance to establish
AGENTS & DISTRIBUTORS IN EUROPE
please contact
Tel: 0181 560 4205
Fax: 0181 560 7109

SECONDHAND COMPUTERS
BUY FOR £35
SELL FOR £250
NO IMPORTING / NO AUCTIONS
NO NONSENSE
BUY FROM GENUINE U.K. CLEARANCE COMPANIES AT LESS THAN TRADE PRICE AND SELL DIRECT TO THE PUBLIC THROUGH YOUR LOCAL FREE PAPERS ETC.
PACKAGE COSTS £[illegible]
"FULL MONEY BACK GUARANTEE"
FOR FREE INFORMATION PACK CALL
THE ALMA GROUP 0181 312 3292

NOTICE TO READERS
Whilst we take reasonable precautions with all advertisements, readers are strongly advised to take professional advice before paying a deposit or entering into any financial commitment.

Mobile Phones

ORANGE NOKIA 5.1
ONLY £59.99 INC. VAT
FREE
☐ LEATHER CASE
☐ SPARE BATTERY
☐ IN-CAR CHARGER
☐ ITEMISED BILLING
☐ ANSWER SERVICE*
☐ DELIVERY
☐ INSURANCE
☐ 3 YEAR WARRANTY
☐ 14 DAY TRIAL
*Messages retrieved at 7p per minute.

BUY THE NOKIA 5.1 CONNECTED TO ANY OF THE TARIFFS LISTED BELOW & RECEIVE ALL OF THE ITEMS LISTED ABOVE ABSOLUTELY FREE!

Plan Name	Standard Monthly Charge	Standard Talktime inc. (per month)	Standard Call Charges (per Minute) peak	off peak
Talk 15	£15.00	15 minutes	25p	12.5p
Talk 60	£25.00	60 minutes	20p	10p
Talk 200	[illegible]	200 minutes	10p	5p
Talk 300	£75.00	300 minutes	10p	5p
Talk 540	£100.00	540 minutes	14p	7p

PHONE FREEPHONE 0500 626500
RECEIVE ONE MONTHS LINE RENTAL FREE WHEN YOU CONNECT TO TALK 60
MOBILEexpress COMMUNICATION CENTRE
157 Southend road, Grays, Essex RM17 5NP
Tel: 01375 393131 • Fax: 01375 393057

Opportunities

£23,029
is exactly how much you would have, tax free, if you phoned us 52 weeks ago! You need £3995 capital and 5 hours per week, 2 hours each Saturday
* Limited Licensees available
* Not Franchise or MLM
* No selling involved
* Immediate income
Tel: 01452 532 415
7 days, 24 hours
DORCHESTER PLAN

MAKE MONEY BEING IN DEBT
If you want to run your own hassle free, 9-5 business and earn up to £35k pa working from home then look no further.
BSC, one of the UK's leading Credit Management and Debt Recovery firms, are expanding further and require Licencees nationwide. Earning from collections and/or sales (sometimes without any effort whatsoever on your part) your potential is enormous.
For further Information phone now on
0161 839 8666
business services corporation

Services

SAME-DAY COMPANY SERVICES LTD

LIMITED COMPANIES READY-MADE AND FORMATIONS
ALL ONE PRICE
£80 INC. VAT AND P&P
FORMATIONS TAKE 5-6 WORKING DAYS
OUR INCLUSIVE PRICE OF £80 INCLUDES:- A CERTIFICATE OF INCORPORATION, 6 BOUND COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION (1 WITH REGISTRAR), LOOSE LEAF PROFESSIONAL COMBINED REGISTER, SHARE CERTIFICATES, SHARE TRANSFERS, CERTIFICATE OF NON-TRADING, COMPLETED MINUTES, FORMS 288A, 287, 288B AND FILING THEREOF, FORMS 88(2), G225, BANK INTRODUCTION, GOVERNMENT DUTIES, VAT, AND POST AND PACKING BY 1st CLASS RECORDED DELIVERY

OTHER SERVICES AVAILABLE
PUBLIC LIMITED COMPANY (PLC)
SAME-DAY INCORPORATIONS (LTD)
SAME-DAY INCORPORATION (PLC)
LIMITED BY GUARANTEE COMPANIES
CHANGE OF COMPANY NAME
REGISTERED OFFICE FACILITY
COMPANY SECRETARY
NOMINEE SHAREHOLDER
BANK ACCOUNTS
PRIVATE MAIL BOX FACILITY
REGISTRATION OF COMPANY FOR VAT
COMPANY SEALS
TELEPHONE ANSWERING SERVICE
FACSIMILE SERVICE
CREDIT CHECKS
BUSINESS TRANSFER

Bridge House, 181 Queen Victoria Street, London EC4V 4DD
0171 248 5616

Opportunities

EXPERIENCED NURSING PERSONNEL
There has never been a better time to start your own Nursing Agency.
JL Training has the knowledge, the experience and the start up package to ensure your success whilst avoiding the damaging and expensive mistakes which force the closure of so many new businesses.
For more information call 0151 356 0794
JL TRAINING

To advertise in this section please call David Owen on 0171 293 2338.

science

The British Association's conference is the year's biggest public science event. **Charles Arthur** asks why it attracts more virtual visitors than real ones, and, below right, rounds up some of the best stories

Deep-water sponges contain a huge range of potentially useful chemicals, said Dr Kelly-Borges in Birmingham last week News Team/Paul Rogers

It's strangeness that sells

Princess Diana intends to buy a house in Antarctica, I can exclusively reveal. After visiting the annual meeting of the British Association for the Advancement of Science at the University of Birmingham last week, at which she heard about the lush forests on the continent, she plans to move there as soon as possible. "I heard all about the leaf-eating hphysilophodon, and it sounds wonderful," she told me. "I'd like a flock of them."

Actually, I made all that up. Except, that is, for the forests in Antarctica and the hphysilophodon. The forests covered the continent 100 million years ago, and vegetarian dinosaurs browsed on their leaves and branches. The dinosaurs were wiped out 70 million years ago, and the forests disappeared as the climate cooled and the single land mass broke up.

Why have you not heard about that? Because the reports about the BA compete for precious media time and space with all other events. But you can be sure that if Princess Diana had turned up, and had expressed an interest in the hphysilophodon, TV and radio newsreaders all over the country would have been wrestling with its pronunciation, while headline writers struggled to fit it on to the page.

However, the Princess was not among the estimated 3,000 adults and 7,000 schoolchildren who turned up during the week. Indeed, many of the 315 sessions over the five weekdays were attended by only a handful of people – which prompts the question: what is the point of the BA's annual meeting?

The glib answer is that it is meant to "bring science to the public". But the question of what science, and how best it should be presented, is one that troubles the organisation, says Peter Briggs, the executive secretary. In order to help answer this, a professional consultancy will be surveying people who attended the meeting.

But, Dr Briggs points out, the people who turn up are only a fraction of those who hear about the BA. Many more hear about it through the media – what he calls the indirect audience. But the millions of people who read the tabloid newspapers appear to remain blissfully unaware of science's biggest public annual event.

"We clearly fail to get anything into the tabloids unless it somehow involves Princess Diana or something like cheese-flavoured cabbages," Dr Briggs said last week.

"It seems that they're not interested in science per se unless it's strange things. And maybe we don't want to be purveyors of that sort of stuff."

The newspapers that report on the BA tend to be broadsheets. And radio and TV produce serious reports. But, says Dr Briggs, while journalists who report on the BA are key to its visibility, "we can't have the event without the direct audience". But journalists' reports of events at the BA often do not match those that the audience who go to the talks hear. For example, the 200 people who crowded in to hear the discussions on BSE would probably not have recognised the news stories that appeared the next day, in which John Pattison, head of the Government's advisory committee on BSE and CJD, discussed how long it would be before we could feel comfortable about the low incidence of new cases of "new variant" CJD. That was because his remarks were directed to the press corps, who in effect forced the audience out of the lecture theatre to have a tea break, while they fired questions at the speakers.

But if we assume that the public's interest is indicated by the patterns of attendance, then the BSE discussion, and the three-day seminar on "Brains, Minds and Consciousness", are among the hottest topics around. Both subjects attracted more people than could fit into the lecture theatres.

Perhaps that is the sort of science that the BA might be aiming to promote in the meeting if it wants to bring more people through the doors.

"Next year we are going to try having a festival-wide session on a topic in the first day," said Dr Briggs. "It will probably look at a topic like science and the quality of life. That makes the whole day more focused. Some of the newspapers have said there should be fewer papers. But it's hard to know what the cut-off should be: when is the variety unattractive? Some sessions, we know, have a small audience. But we're prepared to accept that."

However, there could be a quiet revolution on the way. This year for the first time, reports on sessions at the BA were available almost as they happened, and to a worldwide audience. Inevitably, the Internet arrived. The BBC's *Tomorrow's World* had nine writers who wrote short reports on the sessions, which were then loaded up on its Web site. Web surfers could get an hourly dose of science without having to leave their desks.

For the first couple of days the number of visitors to the site was running at 7,500 daily; but on Wednesday 24,400 people dropped in, and in the 12 hours to midday on Thursday a further 6,690 had browsed the event. That's a demonstration of interest from three times as many people as actually turned up, in a period of just 36 hours.

The *Tomorrow's World* team, which had had to beg and borrow the computing resources, was, predictably, pleased.

The use of the Net is "very interesting, especially the question of how it could involve a different audience," said Dr Briggs. Future BA meetings could include a stronger "virtual" element. Certainly that would be the way to take an institution that stretches back into the 19th century very firmly into the 21st.

Sheep's shins and giant sponges

Hair for hearing

It may be possible to repair deafness with a biological treatment which would be more effective than electronic "cochlear implants", said Dr Carole Hackney of Keele University. Scientists expect to be able to stimulate the regrowth of the hair cells in the ear, whose destruction is the main cause of deafness. Recent research has shown that this can occur spontaneously in animals in certain circumstances.

Deep sea dive

The biggest mass extinction of all time, 250 million years ago, was associated with rapid sea-level rise and a dramatic drop in oxygen levels on the seabed, geologists at the University of Birmingham have concluded after examining rocks in Italy, Pakistan and China. The great die-off at the end of the Permian Era is thought to have killed off more than three-quarters of all plant and animal species then living on the planet. The Birmingham scientists told the BA that their findings concerning the catastrophe did not rule out the possibility that massive volcanic eruptions were the prime cause.

They came at night

Claims of alien abductions may have arisen from people who were dreaming while half-asleep, according to Dr Susan Blackmore of the University of the West of England. The effect of "sleep paralysis" – in which one half-wake from a dream without being able to move – can confuse people, and lead them to claim they have been taken away by aliens and held captive. But they then remember their nonsense dreams, rather than forgetting them, as usually happens on waking up.

Tubular bones

Prehistoric humans appear to have played instruments made from goose wings and sheep's shinbones, in which notes could be "bent" like a jazz player's. The instruments date back as far as 20,000 BC, according to Dr Graeme Lawson of the McDonald Institute for Archaeological Research at Cambridge.

Family trouble

Sibling rivalry is the most common form of violence within families, according to Dr Kevin Browne of the University of Birmingham. Millions of people are going into hospital, he said, but the problem is "totally ignored".

The big squeeze

Deep-water sponges (see picture) are like the rainforests – they contain a huge range of potentially useful chemicals and drugs which have only just begun to be tapped, but their usefulness means they are threatened by human encroachment. A sponge called discodermia, which lives 1,000ft below the ocean surface, produces a chemical which is more effective than other known drugs against breast cancer. But, said Michelle Kelly-Borges of the Natural History Museum, "The major problem with doing trials of these products is that you can't get enough material without harvesting huge amounts of the sponges." It can take up to 10 years for a sponge to grow to the size of a fist, and then it would only produce a few millionths of a gram of the chemical, she said.

Listen with mother

Babies in the womb can distinguish between different sorts of music – and they seem to prefer the theme from *Neighbours* over Strauss's *Blue Danube*. "Their movements are certainly rhythmic," said Professor Peter Hepper, of Queen's University, Belfast. The babies are probably reacting to something about the bass sounds of the music, as the treble notes would be absorbed by the mother's skin and the fluid in the womb. The babies could also recognise the music after they were born, and became quiet when it was played to them. "Unfortunately for mothers, this pacifying effect only lasts once or twice," said Professor Hepper.

Human voices

Schizophrenia, first described 100 years ago, is a genetically-linked disorder which is unique to humans and intrinsically linked to our development of language, argued Timothy Crow of Oxford University. "There is an interesting uniformity of symptoms and it seems to occur in all societies at the same rate," he said. "The conclusion is that it's something to do with what distinguishes us as a species – which is language." This would fit the common schizophrenic's complaint of hearing voices, he suggested. "But it is also interesting because it tells us something about how language is organised."

Coma brainwave

Coma patients may one day be able to communicate with the outside world through the monitoring of their brain waves, according to a team led by Dr Stephen Roberts from Imperial College. His team has developed neural networks capable of analysing the mix of electrical signals from a person's brain, and comparing them against normal brain functions. This would mean that people whose brains were still functioning, and who could hear what was happening around them would be able to react to outside stimuli, and distinguished from brain-dead patients.

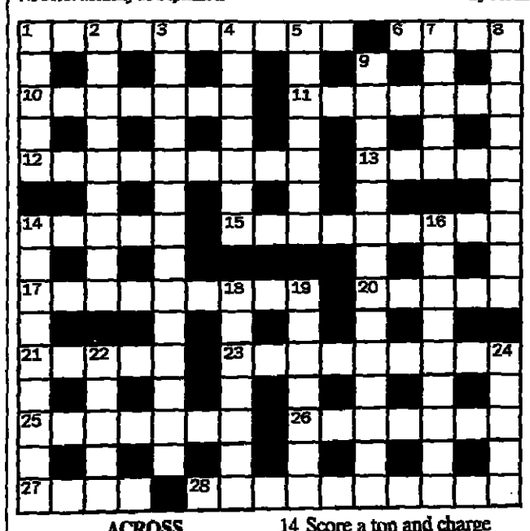
Delayed reaction

Many well-known volcanoes are overdue for a cataclysmic eruption, including Mount Etna and Vesuvius in Italy. Professor Bill McGuire of University College London said that, however Vesuvius erupts, "the reactivation will require the evacuation of 800,000 people." He said that we should monitor volcanoes more closely; presently only one in five is.

CHARLES ARTHUR & NICHOLAS SCHOON

THE INDEPENDENT CROSSWORD

No 3093. Monday 16 September By Portia



ACROSS

1 Down payment I attached to written evidence (10)
6 Back training with one Olympic finalist – it's grand (4)
10 Many more hopeful of getting staff (7)
11 Military unit also included in draft (7)
12 Reserve fund's a lot of money (9)
13 Slow in getting retainer together (5)
14 Score a ton and charge (3,2)
15 Backward-looking academic? (9)
17 Scale down very large occasions (9)
20 Heading for championship (5)
21 College accommodates American coach (5)
23 Arrive with European band after getting wet (9)
25 Have cut into cheese cake (7)
26 Be like one object possessed by partner (7)
27 Whips top off to find food (4)
28 Is a competitor as it happens (2,3,5)

DOWN

1 Love birds (5)
2 Part of speech backed by church and state (9)
3 Be unscrupulous and lack commitment (5,2,7)
4 Language of delight? (7)
5 Put down work force (7)
7 Told of reasons for writing (5)
8 Girl's club agreed with sporting attitude (9)
9 Speak frankly about Lynn. I hate to lie (3,2,2,3,4)
14 Honest sailor left standing outside (9)
16 Involved one troop leader in certain changes (9)
18 Unusual step taken by a German sculptor (7)
19 Black oil has spilt out of end (7)
22 A book's on sale here and there (5)
24 Visitor speculated out loud (5)

100% payment if you're ill.

A 50% discount if you're not.

Primecare is a new private healthplan from Prime Health that offers incredible value for money. Not only will your claims be paid promptly, but we'll give you a no-claims discount that goes up to 50% if you don't claim.

Before you buy a policy, check it does the same. Also, see if it fully covers you for out-patient consultations and tests. If it pays surgeons' and anaesthetists' fees in full. If it covers alternative medicine. And if it gives you immediate access to private treatment.

We believe Primecare offers better cover for your money than anything on the market. Why not switch immediately? You can be covered the moment you contact our Customer Advisers on 0800 77 99 55.

Prime Health
A member of the Standard Life Group

Call Prime Health on 0800 77 99 55 or fill in the coupon.

Title _____ First name _____
PLEASE USE BLOCK CAPITALS
Surname _____ Date of birth
Address _____
_____ Postcode _____
Phone (inc. STD code) Day _____ Evening _____
Date of birth of the oldest person requiring cover
Cover required: Single ☐ Married ☐ Family ☐ Single parent family ☐
If you already have private medical insurance please state renewal date
If you would like a representative to visit please tick box ☐
Please post to (no stamp required) Prime Health Limited, FREEPOST, SK 5042 Stockport, Cheshire SK2 6YE.
Web:http://www.primehealth.co.uk

M03 103 NG

©Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL, and printed at Mirror Colour Print, St Albans Road, Watford Back issues available from Historic Newspapers 0800 906 609
Monday 16 September 1996 Registered as a newspaper with the Post Office

هكذا من الأصل